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LEGISLATIVE HISTORY  
Public Law 89-556  
H. R. 14596

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## INDEX AND SUMMARY OF H. R. 14596

Apr.	22, 1966	House Appropriations Committee reported H. R. 14596. H. Report 1446. Print of bill and report.
Apr.	26, 1966	House passed H. R. 14596 with amendments.
Apr.	27, 1966	H. R. 14596 was referred to Senate Appropriations Committee. Print of bill as referred.
June	28, 1966	Senate subcommittee approved H. R. 14596.
July	12, 1966	Senate committee reported H. R. 14596 with amendments. S. Report 1370. Print of bill and report.
July	13, 1966	Senate began debate on H. R. 14596.
July	14, 1966	Senate agreed to limit debate on H. R. 14596.
July	15, 1966	Senate passed H. R. 14596 with amendments.
		Senate conferees were appointed.
		Print of bill as passed by Senate.
Aug.	22, 1966	House conferees were appointed on H. R. 14596.
Aug.	23, 1966	House received conference report on H. R. 14596. H. Report 1867. Print of report.
Aug.	24, 1966	Both Houses agreed to conference report.
Sept.	7, 1966	Approved: Public Law 89-556.

Hearings: House and Senate Appropriations Committees.



DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION ACT, 1967. Title I of the Act provides appropriations for general activities of the Department (other than Forest Service) for the fiscal year 1967 in the amount of \$1,719,355,150. Title II (Credit Agencies) provides loan authorizations of \$947,000,000, including \$70,000,000 in contingency reserves, and appropriates \$93,459,000, of which \$63,259,000 is for the administration of the Rural Electrification Administration and the Farmers Home Administration. Title III (Corporations) appropriates \$3,555,855,000 for reimbursement to the Commodity Credit Corporation for net realized losses and provides for Commodity Credit Corporation an administrative expense limitation of \$34,300,000. Title III further appropriates \$8,446,000, in addition to authorizing the use of \$4,100,000 of premium income, for administrative and operating expenses of the Federal Crop Insurance Corporation. In addition, Title III includes appropriations for Foreign Assistance Programs of \$1,617,000,000 for fiscal year 1967 and unrecovered prior years' costs of the Public Law 480. Title IV (Related Agencies) provides an administrative expense limitation of \$3,032,000 for the Farm Credit Administration and appropriates \$475,000 for the National Advisory Commission on Food and Fiber. Permanent appropriations are estimated in 1967 in the amount of \$602,792,308. (At the end of this Digest is a summary table of appropriations for fiscal year 1967 compared with 1965 and 1966.) Items of major significance in the Act, including amounts of increase or decrease over 1966, are as follows:

AGRICULTURAL RESEARCH SERVICE: \$208,166,400 appropriated, an increase of \$3,639,400. Changes include: Research -- \$123,402,500 appropriated plus a reappropriation of prior years' funds of \$2,000,000 and a transfer of \$25,000,000 from Section 32, a decrease of \$2,556,500 in appropriated funds, and an increase of \$6,900,000 in Section 32 funds; Plant and animal disease and pest control -- \$80,263,900 appropriated, an increase of \$4,695,900; Salaries and expenses (special foreign currency program) -- \$4,500,000 appropriated, an increase of \$1,500,000.

COOPERATIVE STATE RESEARCH SERVICE: \$58,740,000 appropriated, an increase of \$3,913,000.

EXTENSION SERVICE (Principally payments to States): \$92,824,000 appropriated, an increase of \$3,689,000.





FARMER COOPERATIVE SERVICE: Salaries and expenses -- \$1,175,000 appropriated, an increase of \$8,000.

SOIL CONSERVATION SERVICE: \$234,105,000 appropriated, an increase of \$6,859,000. Changes include: Conservation operations -- \$109,235,000 appropriated, an increase of \$254,000; Watershed planning -- \$6,142,000 appropriated, an increase of \$281,000; Watershed protection -- \$70,000,000 appropriated, an increase of \$3,604,000; Flood prevention -- \$25,654,000 appropriated, an increase of \$77,000; Great Plains Conservation program -- \$18,500,000 appropriated, an increase of \$2,418,000; Resource conservation and development -- \$4,574,000 appropriated, an increase of \$225,000.

ECONOMIC RESEARCH SERVICE: Salaries and expenses -- \$12,132,000 appropriated, an increase of \$350,000.

STATISTICAL REPORTING SERVICE: Salaries and expenses -- \$13,511,750 appropriated, a decrease of \$559,250.

CONSUMER AND MARKETING SERVICE: Consumer Protective, Marketing, and Regulatory Programs -- \$83,881,000 appropriated, an increase of \$6,184,000; Payments to States -- \$1,750,000 appropriated, no change; Special milk program -- \$51,000,000 appropriated, plus a \$53,000,000 transfer from Section 32, a decrease of \$52,000,000 in appropriated funds, and an increase of \$53,000,000 in Section 32 funds; School lunch program -- \$165,855,000 appropriated, plus \$45,000,000 transferred from Section 32, an increase of \$8,855,000 in appropriated funds and no change in the Section 32 transfer; Food Stamp program -- \$110,000,000 appropriated, plus an authorized reappropriation of \$30,000,000 of prior years' funds. Actual unobligated balance available for reappropriation is \$29,524,587, a net increase of \$19,524,587.

FOREIGN AGRICULTURAL SERVICE: Salaries and expenses -- \$21,218,500 appropriated, an increase of \$466,500. In addition, the Act authorizes the transfer of \$3,117,000 from Section 32 funds to this appropriation.

COMMODITY EXCHANGE AUTHORITY: Salaries and expenses -- \$1,398,000 appropriated, an increase of \$201,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE: Expenses, Agricultural Stabilization and Conservation Service -- \$128,558,000 appropriated, an increase of \$2,279,500. In addition, a transfer is authorized in the amount of \$75,803,600 from the Commodity Credit Corporation, a





decrease of \$6,129,900; Sugar Act program -- \$80,000,000 appropriated, a decrease of \$15,000,000; Agricultural conservation program -- \$220,000,000 appropriated, no change; Appalachian region conservation program -- \$3,000,000 appropriated, in addition to which a reappropriation of prior years' funds up to the amount of \$1,375,000 is authorized (actual unobligated balance available for transfer is \$167,000); Cropland conversion program -- \$7,500,000 appropriated, no change; Cropland adjustment program -- \$50,000,000, initial appropriation. (In 1966 this program was financed from Commodity Credit Corporation funds. The amount appropriated will be used to reimburse CCC); Conservation reserve program -- \$140,000,000 appropriated, a decrease of \$6,000,000; Emergency conservation measures -- \$5,000,000 appropriated, a decrease of \$19,000,000.

RURAL COMMUNITY DEVELOPMENT SERVICE: Salaries and expenses -- \$637,000 appropriated, no change.

OFFICE OF THE INSPECTOR GENERAL: Salaries and expenses -- \$11,254,000 appropriated, an increase of \$618,000.

PACKERS AND STOCKYARDS ACT: \$2,502,000 appropriated, an increase of \$102,000. (This appropriation was previously included under the Consumer and Marketing Service, and was appropriated separately this year).

OFFICE OF THE GENERAL COUNSEL: Salaries and expenses -- \$4,325,000 appropriated, an increase of \$39,000.

OFFICE OF INFORMATION: Salaries and expenses -- \$1,851,000 appropriated, a decrease of \$64,000.

NATIONAL AGRICULTURAL LIBRARY: Salaries and expenses -- \$2,412,500 appropriated, an increase of \$677,500.

OFFICE OF MANAGEMENT SERVICES: Salaries and expenses -- \$2,600,000 appropriated, an increase of \$58,000.

GENERAL ADMINISTRATION. Salaries and expenses -- \$3,959,000 appropriated, an increase of \$31,000.

RURAL ELECTRIFICATION ADMINISTRATION: Loan authorizations -- \$492,000,000, consisting of \$375,000,000 for electrification loans, including a \$30,000,000 contingency reserve, an increase of \$10,000,000 in appropriated funds and a decrease of \$30,000,000 in contingency reserve; and \$117,000,000 for telephone loans including a \$15,000,000 contingency reserve, an increase of \$20,000,000 in appropriated funds. Salaries and expenses -- \$12,202,000 appropriated, no change.



FARMERS HOME ADMINISTRATION: Direct loan account -- \$440,000,000, consisting of \$90,000,000 for real estate loans, an increase of \$15,000,000; and \$350,000,000 for operating loans, including a \$25,000,000 contingency reserve, an increase of \$50,000,000 in loan authorization, and a decrease of \$25,000,000 to be held in contingency reserve. Rural water and waste disposal grants -- \$26,000,000 appropriated, an increase of \$6,000,000; Rural housing direct loan account -- A \$15,000,000 loan authorization was authorized in the 1967 Act. This was the first direct authorization for this new account which was established pursuant to the Housing and Urban Development Act of 1965; Rural housing for domestic farm labor -- \$3,000,000 appropriated, no change; Rural renewal -- \$1,200,000 appropriated, no change; Salaries and expenses -- \$51,057,000 appropriated, an increase of \$1,357,000.









# **DIGEST** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued April 26, 1966  
For actions of April 25, 1966  
89th 2nd; No. 68

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**HIGHLIGHTS:** Senate passed community development districts bill. House committees reported agricultural appropriation and participation sales bills. Sen. Moss requested forest roads-trails increase. Sen. Proxmire defended farmers and commended school-milk increase. Sen. Mondale inserted Grange letter defending Secretary Freeman. Rep. Albert reported state of Nation's agriculture good. House subcommittee voted to report diverted acreage allotment bill.

### SENATE

1. **COMMUNITY DEVELOPMENT DISTRICTS.** Passed, 43-21, with amendments S. 2934, authorizing grants for comprehensive planning for public services and development in community development districts approved by the Secretary of Agriculture. Agreed to a Lausche amendment to limit HUD grants to the present authorization. Agreed to an Ellender amendment to strike out the appropriation authorization. pp. 8474-88
2. **FOREST ROADS.** Sen. Moss offered and discussed an amendment to S. 3155, the road authorization bill, to increase forest roads and trails from \$85 million

to \$150 million for the fiscal year 1968 and from \$110 million to \$150 million for the fiscal year 1969. p. 8449

3. FARM PROGRAM; SCHOOL MILK. Sen. Proxmire defended farmers, inserted an article on this subject, and praised the Whitten subcommittee for increasing the school milk program. pp. 8455-7

Sen. Mondale commended recent accomplishments in increasing farm income and inserted a letter from the National Grange defending Secretary Freeman. pp. 8467-9

4. APPROPRIATIONS. On Apr. 22 an appropriations subcommittee marked up and approved for full committee consideration H. R. 14215, the Interior and related agencies appropriation bill. p. D342

The Appropriations Committee ordered favorably reported with amendments H. R. 14012, second supplemental appropriation bill, which may be debated Apr. 27. p. D342

5. ADJOURNED until Wed., Apr. 27. p. 8491

#### HOUSE

6. AGRICULTURAL APPROPRIATION BILL, 1967. On April 22, during adjournment, the Appropriations Committee reported this bill, H. R. 14596 (H. Rept. 1446) (p. 8439). Attached to this Digest is a copy of the committee report, which includes a summary table reflecting committee action on the bill.

7. LOANS. The Banking and Currency Committee reported with amendments H. R. 14544, the proposed Participation Sales Act of 1966 (H. Rept. 1448), and S. 2499, to amend the Small Business Act to authorize issuance and sale of participation interests based on certain loan pools held by the Small Business Administration (H. Rept. 1447). p. 8439

Rep. Talcott stated the participation sales bill is being "rammed through the committee and the Congress before even Members of Congress can understand it or evaluate the consequences." pp. 8389-90

8. FOREIGN AID. Passed without amendment H. R. 12617, to increase from \$12 million to \$25 million the amount authorized to be appropriated in any fiscal year for obligation and expenditure in accordance with programs approved by the President for certain activities within the Ryukyu Islands. pp. 8379-86

9. ACREAGE ALLOTMENT. A subcommittee of the Agriculture Committee approved for full committee action H. R. 13057, amended, to amend the provisions of law relating to the planting of crops on acreage diverted under the cotton, wheat, and feed grains program. p. D344

10. INFLATION. Rep. Pelly spoke in favor of "a modest reduction in Government non-defense expenditures" to curb inflation rather than an income tax increase and urged such consideration on pending appropriation bills. p. 8378

11. FARM PROGRAM. Rep. Albert stated that the state of our Nation's agriculture is good and inserted articles defending the President and Secretary Freeman against accusations of placing the blame for "high food prices on farmers." pp. 8396-7



DEPARTMENT OF AGRICULTURE AND RELATED  
AGENCIES APPROPRIATION BILL, 1967

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APRIL 22, 1966.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. WHITTEN, from the Committee on Appropriations, submitted the  
following

R E P O R T

[To accompany H.R. 14596]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1967. The bill covers estimates contained in the 1967 budget, pages 101-196 and 926-978.

The bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, meat and poultry inspection, agricultural credit, crop insurance, the Commodity Credit Corporation, Public Law 480 and other foreign assistance programs.

The bill includes total appropriations of \$6,909,027,000 for these purposes in the coming year, a reduction of \$113,611,000 in the budget requests which total \$7,022,638,000. The amount proposed is \$527,578,500 more than appropriated for fiscal year 1966, due to restoration of capital impairment for the Commodity Credit Corporation.

A summary of the budget requests and amounts recommended by the committee follows. A detailed breakdown by individual appropriations appears at the end of the report.

	Budget request	Recommended in bill	Reduction
Title I—General activities.....	\$1,669,590,000	\$1,649,876,000	—\$19,714,000
Title II—Credit agencies.....	98,002,000	93,459,000	—4,543,000
Title III—Corporations (including Public Law 480 and other assistance programs).....	5,254,401,000	5,165,342,000	—89,059,000
Title IV—Related agencies.....	645,000	350,000	—295,000
Total.....	7,022,638,000	6,909,027,000	—113,611,000

### THE BUDGET FOR AGRICULTURE

The Agricultural Budget presented to Congress for fiscal year 1967 proposes major reductions in many of the well established and proven agricultural and consumer programs which have been the basis for our spectacular agricultural achievements, our national economic development, and the high standard of living enjoyed by the people of the United States.

Reductions are proposed in research, insect and disease control, soil and water conservation, the agricultural conservation program, extension activities, special milk and school lunch programs, and loan ceilings for rural electrification and telephone programs.

As our domestic needs for food and fiber increase, and as our world commitments grow, the budget recommends that we give less financial support to that segment of our economy which is the very basis for our personal well-being and the key to our national prosperity and international strength. The budget proposals would seriously damage American agriculture, which is the key segment in the Nation's partnership of agriculture, industry and labor.

If the Committee and the Congress were to follow the recommendations of the 1967 budget for the Department of Agriculture, our whole economy would be endangered, as would our international commitments. If such a policy as the administration advocates were followed for only a few years, the United States would likely be a food deficit country instead of one of abundance.

### ESSENTIAL ACTIVITIES WOULD BE ELIMINATED

A reduction of \$5,401,300 is proposed in research activities of the Agricultural Research Service. This would seriously impair valuable research in nearly every phase of agriculture, including costs of production, control of insects and diseases, soil and water conservation, agricultural engineering, commodity utilization, human nutrition and marketing efficiency. Under this reduction, less research attention would be given to many of the Nation's important food crops, the supplies of some of which are at low levels at present, including wheat, corn, grain sorghums, rice, sugar cane, sugar beets, fruits and vegetables, and livestock. Important research work at 24 locations throughout the country would be eliminated during the current year. The proposed cut would also terminate or curtail essential research activities at 70 additional locations in nearly every area of the nation during the fiscal year 1967.

Although it is recognized that insects and diseases decrease the supply and increase the cost of food, the elimination or reduction of certain pest control activities is proposed. While these pests, which

infest the soil and destroy crops are already doing billions of dollars of damage annually on millions of acres of land, the budget would reduce or terminate efforts to prevent their spread to other areas of the country. The proposed budget reduction of \$7,803,100 would completely eliminate control programs for such insect and disease threats as the imported fire ant in 12 states, phony peach eradication and peach mosaic eradication in fruit growing areas of 13 States, soybean cyst nematode control in 22 states, and sweetpotato weevil control in 7 states. In addition, it would substantially reduce eradication programs for the golden nematode on Long Island, barberry eradication in 14 states, gypsy moth control in 7 states, and witchweed eradication in North and South Carolina. Also, brucellosis control operations would be curtailed throughout the nation and sheep and cattle scabies eradication work would be substantially reduced.

A budget reduction of \$8,245,000 proposed in research funds for the State Experiment Stations would adversely affect every State in the Union. It would eliminate essential research personnel at every Land-Grant institution in the country, with a damaging effect on the important long-range research programs of these institutions in their efforts to keep us one step ahead of insects and diseases. In addition, a cut of \$2,000,000 is proposed in grants for the construction of essential research facilities at many of the State experiment stations, so necessary to a rapidly growing nation. A review of the testimony presented to the Committee by representatives of Kansas State, Washington State, Cornell, and other Land-Grant Universities, clearly shows that such cuts would adversely affect planning, training of graduate students, employment of trained personnel, and other aspects of a sustained research effort.

For payments to the State extension services, the budget proposes to reduce by \$10,000,000 the funds distributed under the formula provisions of Section 3(c) of the Smith-Lever Act. This would seriously curtail the regular continuing functions of the extension service in each State and would make the extension activities at the State and county levels subject to the allocation of funds as determined by the Secretary. The long-range continuity and effectiveness of the county agent system, which is one of the main strengths of U.S. agriculture, would be adversely affected by this proposal.

As we talk of the dangers of water and soil pollution and the need to protect and conserve our soil and water resources, the budget recommends less attention to the protection and development of our watersheds. The most essential program for improving our soil and water resources, in which more than one million Americans participate, the Agricultural Conservation Program, would be cut by more than 50 percent. If allowed to stand, this would not only destroy the main support for our nationwide soil and water conservation program, but it would reduce by 510 the number of soil conservation technicians available next year for the various activities of the Soil Conservation Service, including the small watershed and flood prevention projects throughout the United States.

Also the budget proposes to reduce funds for soil surveys and to curtail funds for P.L. 566 watershed projects. It proposes, further, to reduce new starts for watershed planning from 100 to 50, 10 of which are designated for the Appalachian Region, leaving less than one each for the balance of the States. The budget also recommends



that new starts for small watershed projects be reduced from 80 to 35, 7 of which would be in Appalachia. This would permit only 28 new starts in the rest of the United States, which would mean one new project each for about half of the States in the coming fiscal year. The result would be a costly delay in meeting the Nation's urgent need to protect and conserve our soil and water resources for the use of future generations of Americans.

At a time when many young Americans are being turned down for military service because of defects traceable to nutritional deficiencies, it is recommended in the budget that the special milk program be virtually eliminated. As we talk of helping to feed a hungry world, substantial cuts are requested by the budget in our own school lunch program. The reduction in the special milk program from \$103,000,000 to \$21,000,000—a cut of \$82,000,000—would deny supplemental milk to about 80 percent of our school children who are now benefiting from this program. Further, the reaction of those needy children selected for free milk could result in the complete abandonment of this valuable program. The budget reduction of \$19,000,000 in the school lunch program—from \$157,000,000 in 1966 to \$138,000,000 for 1967—would also deny wholesome mid-day lunches to many children who receive no other nutritious meal each day. Studies of national dietary habits indicate that the lack of nutritious and well balanced meals is not restricted to families in the lower income brackets.

Budget reductions are also proposed in the ceilings on loan funds for the Rural Electrification Administration. The ceiling for rural electrification loans would be cut from \$365,000,000 for 1966 to \$220,000,000 for 1967—a reduction of \$145,000,000. The rural telephone loan ceiling would be reduced by \$12,000,000—from \$97,000,000 in 1966 to \$85,000,000 for fiscal year 1967. According to testimony presented by the Administrator of R.E.A. and other interested groups, the rural electrification system and the entire power industry is facing a record breaking demand for power which will require large expenditures to heavy-up the carrying capacity of rural systems. Present shortages of farm labor contribute to this need.

Testimony indicates that the demand for adequate rural telephones also is growing rapidly, as increasing numbers of farmers are coming to realize that modern farms can not be operated without efficient telephone service. The proposed budget reductions ignore this growing need and demand for electricity and telephones in rural areas. Further, the proposal to establish a plan for supplemental financing, which is given as one reason for the budget cut, is far from a reality. Even if finally approved by Congress, it is apparent that loan funds would not be available from this source during the next fiscal year.

In determining the amounts considered to be essential for these purposes for the next fiscal year, it is important that we review briefly some of the conditions facing the 194 million American consumers as well as the economic strength of this Nation at home and abroad in the years ahead.

## FARMING NO LONGER ATTRACTIVE

The number of agricultural producers providing food and fiber for our rapidly expanding population continues to decline and is now down to about 7 percent of the people in this country. Trained and experienced farm labor is in increasingly short supply.

Long hours of hard work, more rigorous living conditions, hazards of weather, threats from insects and diseases, increasing financial risks, and decreasing financial returns, are causing farming to become less and less attractive to each succeeding generation of young people. Fewer and fewer farm children are returning to farming as a career. More and more of their parents are moving to "greener pastures" in town as the monetary return for their labor, investment, and managerial skills decreases on the farm.

As a business venture, farming is becoming less attractive as the necessary farm investment increases and the net return on the investment decreases. Figures from the Department of Agriculture show that average farm investment has increased nearly ten-fold in the past 25 years, from \$6,158 in 1940 to \$59,519 in 1965. They also indicate that the average return on farm investment, including the value of the farmer's own labor and management skills, has dropped about 40 percent during this period, from 14.2 percent in 1940 to 8.6 percent in 1965.

It is entirely understandable, therefore, why fewer and fewer people are remaining on the Nation's farms, and why some 7 percent of our population on the farms is now feeding the 93 percent of urban dwellers in addition to themselves. This undesirable imbalance can be expected to be further aggravated as movement away from agriculture continues.

According to Department figures, an average of nearly 800,000 people have left the farms in each of the last 5 years. The farm population has decreased to about 12.5 million today, compared to double that number in 1950. The 1959 census, the latest official data available, shows that some 17 percent of all farmers in the United States were 65 or older. An additional 22 percent were 55 to 64 years of age. By 1970, it is estimated that nearly half of the farmers will be 55 years of age or over.

The trend away from the farm is also evidenced by the steadily decreasing amount of land used for agricultural production. The total land planted to crops in 1950 was 353 million acres as compared to 307 million acres in 1965, a reduction of 13 percent.

## DECREASING FOOD SUPPLIES

Despite the surplus quantities of certain commodities in this country in recent years due to the efficiency of agricultural production, it should be noted that supplies now on hand and expected to be on hand at the end of the current marketing year in the United States are down substantially from previous years. For certain perishable commodities we are looking more and more to the rather undependable Mexican production to meet our needs. In view of our present situation in Vietnam, and our heavy commitments to India and certain other food-deficit countries, this decreasing supply of food available to feed American consumers—and foreign populations to the extent possible—



is a factor to be given most serious attention by those responsible for agricultural planning and financial support.

Statistical data supplied the Committee by officials of the Department of Agriculture indicate that carryover stocks of wheat have been reduced from around 1,400 million bushels in 1961 to 819 million bushels as of July 1, 1965, due to limitations on wheat output and expanded utilization, particularly for export and domestic feed use. The official estimate of wheat carryover at the end of the next marketing year indicates a supply of about 610 million bushels, a further reduction of 208 million bushels. This is sufficient to meet domestic and export needs for only 5 months. Large shipments to India will further reduce our ability to meet U.S. needs in the event of a national emergency.

Further, these officials point out that the supply of feed grains was reduced from nearly 85 million tons in 1961 to about 55 million tons in 1965. During the same period, corn supplies declined from around 2 billion bushels to about 1.2 billion bushels. The estimates of carryover at the end of the next marketing year represent a 3 months' supply of corn and barley, a 4 months' supply of oats, and a 9 months' supply of grain sorghum.

The situation is much worse for dairy products, as the number of dairy farmers decreases each year and as milk production decreases accordingly. Today's press is filled with articles showing the number of dairy farmers who are selling out their holdings as land values for industrial and residential purposes offer more opportunity for profits than dairy farming.

A recent article in the Washington Post (March 15, 1966) contained the following statements:

Dairy farmers who ship milk to Washington are selling their herds and going out of business at the rate of nearly 100 a year.

Rising costs and Federally-set bulk milk prices that have not risen significantly since the controls went into effect in 1958 have caught the dairymen in the profit squeeze in which only the most efficient can survive.

Other factors blamed in the reducing number of dairy farmers in the Washington area include drought conditions that have lasted for four years and the increasing value of farm land for housing developments under the pressure of urban expansion. Many of the farmers—whose average age is well over 50—have decided that they may as well retire.

The supply of dairy products on hand is now at the lowest point in recent years. As of June 30, 1965, we had 5,300 million pounds of milk and milk products on hand. The supply is expected to reduce further to 3,200 million pounds at the end of the present marketing year, a reduction of 2,100 million pounds. This represents only about a  $\frac{1}{2}$  month's supply for normal domestic purposes.

It is apparent that, unless we continue research and related programs to increase the efficiency of our farm production and provide the economic incentive to induce young and efficient producers to remain on the farm, food in the United States will be in increasingly short supply. The American consumer will be faced with food shortages in some items and much higher food costs generally. Further, our

ability to help meet food needs essential to our foreign policy will be seriously affected.

It is also apparent that we must reexamine our national farm policies and programs which are reducing agricultural production despite increasing demands for food at home and abroad. The Federal Government is committed to annual and long-term contracts to leave land out of production, which are costing us around \$1.5 billion per year. We are still paying out large amounts under long-range conservation reserve (Soil Bank) contracts entered into ten years ago. In addition, we are faced with large amounts under more recent acreage diversion and cropland adjustment programs limiting production of some of our major crops. It would seem much wiser and more beneficial to everyone to use this money to produce ample food and supply it to the markets of the world.

#### AGRICULTURE REMAINS BASIC

In the opinion of the Committee, the growing tendency to consider agriculture as a less essential part of our national economy, and to reduce funds needed for its continued support, threatens our nation at home and abroad. It could have a serious effect on the future food supply of this country and could weaken our ability to meet our future responsibilities as a leader of the nations of the world.

History teaches us that the food-deficit countries of the world started on their decline by failing to give adequate attention to the protection and development of their basic natural resources. They failed to provide necessary protection and development through research, control of insects and diseases, conservation and other programs needed to assure the preservation of their capacity to meet the needs of their people for food, clothing and shelter. This is true of nearly every country we aid today. We must not make the same mistake!

One of our major problems today is that, though agriculture is our best market for industry and labor, and the most economical supplier of the consumer, so few people are engaged in agriculture that its voice is weak in the legislative halls of a majority of the States and of the nation. No longer does agriculture figure prominently in the planning of those who would appeal to the majority. This leaves a major task for those who recognize that the national welfare depends on a sound and healthy agriculture.

Many people realize the danger of a break in farm prices; but few seem to know that the real danger to our overall economy is a drop in agricultural purchasing power, which could come from a reduction in volume as well as a drop in price. And volume of production is dependent on the continuation of research, education, conservation, electrification, and improved production techniques provided for in this bill.

Many know that the few on the farm free the rest of us to provide the machines and gadgets of modern-day living; but there aren't many people who stop to realize that those who have left the farm have been replaced by machines and expensive materials, and that the man engaged in agriculture today has to have sufficient production and net income to buy the machinery, equipment, chemicals and other materials necessary to produce efficiently. Many people now in our cities who make these products and provide these services fail



to understand that they could be forced to go back to the farm, as happened in the depression of the late 1920's and early 1930's, if the few now on the farms are unable to continue to produce sufficient food to feed them.

#### PAST ACHIEVEMENTS OF AMERICAN AGRICULTURE

The efficiency of American agriculture has been a blessing to the consumers of the world. It has provided a plentiful supply of wholesome and nutritious foods which U.S. consumers have come to accept and take for granted. It has produced quantities in excess of domestic needs which have become a significant factor in our international programs of aid and assistance to the less fortunate peoples in other nations of the world.

The people of the United States for years have enjoyed a standard of living never before attained anywhere in the world because of the remarkable achievements of American agriculture.

These achievements have been made possible by cooperative Federal, State and local efforts in the various agricultural programs of the Nation. The leadership of the U.S. Department of Agriculture, the Land-Grant universities, and the State and local agricultural agencies, has developed an agricultural industry in the United States which is the envy of the entire world.

As a result of our high level of efficiency in agricultural production, and certain governmental policies which have failed to make U.S. commodities competitive in world markets, this country has had supplies of commodities which have been surplus to U.S. needs during certain periods in the past several decades. National policies and farm programs have been directed toward meeting this situation. It is pointed out that, while these supplies were surplus to domestic U.S. demands, they were by no means surplus to world needs. Also, it is the opinion of many responsible officials and experts in this country that it is much better for the U.S. to have too much rather than too little of the things necessary to feed, house and clothe our people. The cost of handling and storing surpluses has been small indeed, compared to the benefits to the American consumer and to the position of strength in world affairs which our agricultural production has enabled us to maintain.

#### AGRICULTURE'S PLACE IN THE ECONOMY

The foundation for continued economic development in this country is a strong and prosperous agriculture which will provide adequate food and fiber to meet our needs and will continue to provide a strong market for the products of labor and industry.

Agriculture is the Nation's largest industry. Farming employs 6 million workers—more than the combined employment in transportation, public utilities, the steel industry, and the automobile industry. Agriculture's assets total \$230 billion, equal to about  $\frac{2}{3}$  of the value of current assets of all corporations in the United States, or about half the market value of all corporation stocks on the New York Stock Exchange.

Agriculture is one of the major customers of labor and industry. The farm producer spends nearly \$30 billion a year for goods and



services to produce crops and livestock; another \$12 billion a year is spent for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services. Each year the farmer's purchases include \$3.4 billion in new farm tractors and other farm vehicles, machinery, and equipment. It takes 120,000 employees to produce this farm equipment.

His annual purchases also include \$3.4 billion for fuel, lubricants and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry. Each year the farmer buys products containing 320 million pounds of rubber—about 9 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles. He consumes 28 billion kw.-hrs. of electricity annually—or more than 4 percent of the Nation's total. He uses 5 million tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

Agriculture is also a major creator of employment. Three out of every ten jobs in private employment are related to agriculture. Six million people have jobs providing the supplies farmers use for production and family living. Eight to ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

Despite agriculture's outstanding record of achievement and its important contribution to the Nation's economy, the budget for next year proposes substantial reductions in the funds for the programs which have made this possible.

#### A FIRM SUPPLY OF FOOD ESSENTIAL

Aside from the possibility of nuclear conflict, probably the foremost problem of the world today is hunger. Approximately half of the world's 3 billion people suffer from malnutrition. The World Food Congress was told in 1963 that around 10,000 persons die every day from starvation.

India had a food crisis in 1963. It has another serious food shortage today. That vast subcontinent has a year-round hunger problem; so do many other areas in the world. The present outlook is that hunger will grow more and more intense with the passage of time. The world's population increase is almost unbelievable. Each year, births exceed deaths by almost 60 million.

This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The population growth in the United States increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

The ability of this country to provide the most abundant supply of wholesome and delicious food at the lowest cost ever known to the people of the United States—and in addition feed substantial numbers of hungry people throughout the world—has been one of our greatest strengths in meeting domestic needs and in dealing with world problems.

The failure of Communist agriculture, a failure which is chronic and deep-seated, has tremendous implications to the hundreds of millions constantly plagued by hunger. The Communist inability to produce efficiently and abundantly is due in large part to a lack of adequate and well directed research and related agricultural programs, under a system which has tied the hands of Soviet agricultural scientists.

This must not be permitted to happen in the United States. We can not allow any change in emphasis or direction which would weaken or damage our successful research, extension, soil conservation, and marketing programs which have given this country its efficient and productive agricultural system. These basic programs of the Department of Agriculture, the Land-Grant Colleges, and related institutions, must be continued at least at present levels.

One of the most important issues facing the Congress and the Nation at this time is the matter of assuring a continued firm source of supply of food and fiber to the American consumer for the future—and to hungry peoples in other countries to the extent possible within the financial ability of this country. The importance of this matter can not be over-emphasized.

#### BUDGET CUTS RESTORED

The factors discussed above all point to difficulties ahead in maintaining an agricultural production system in the U.S. which will assure an adequate supply of food, clothing and shelter for a constantly increasing number of consumers who are completely dependent on agriculture for their future well-being.

The Committee feels that, with U.S. commitments in Vietnam and other parts of the world, it would be a serious mistake to agree to budget reductions which would weaken our highly efficient and extremely productive agricultural industry, which forms the base for domestic prosperity and plays a major role in our foreign policy. It believes that adequate funds must be provided for the programs of the Department of Agriculture, the Land-Grant Colleges, and related institutions, if we are to assure that basic needs of the nation's consumers and industrial workers are met. It recognizes that a bountiful food supply, together with protection of the nation's resources, is dependent on maintaining appropriations at least at present levels for agricultural programs which support our highly productive agricultural plant and benefit our school children and consumers generally.

The Committee is unable to go along with the drastic change in emphasis and direction proposed in the 1967 budget. Accordingly, it has restored the proposed budget cuts, and has provided for the continuation of the various programs generally at present year levels as follows:

Agricultural Research Service:

Funds restored for research facilities scheduled for elimination or reduction in 1966 at 24 locations and in 1967 at 70 locations throughout the country-----	<i>Appropriations restored</i> \$5, 401, 300
Funds restored for control and eradication of various plant and animal diseases, including fire ant, phony peach and peach mosaic, soybean cyst nematode, sweetpotato weevil, barberry, golden nematode, gypsy moth, witchweed, brucellosis and scabies-----	7, 803, 100

Cooperative State Research Service:

Funds restored for payments to State agricultural experiment stations under the Hatch Act-----	8, 245, 000
Funds restored for grants for facilities at experiment stations--	2, 000, 000

Extension Service:

The proposed shift of \$10,000,000 in payments to States from formula provisions of Section 3(c) to non-formula provisions of Section 3(d) of the Smith-Lever Act not approved-----	0
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Soil Conservation Service:

Decrease in soil survey operations (\$3,600,000 reduction proposed—\$1,600,000 approved)-----	2, 000, 000
Reduction in new planning starts from 100 to 50 proposed. 100 new planning starts restored-----	
Reduction in funds for P.L. 566 watersheds and reduction in new starts from 80 to 35 proposed. Funds and 80 new construction starts restored-----	1, 444, 600

Consumer and Marketing Service:

Reduction of Special Milk Program from \$103,000,000 to \$21,000,000 proposed. Reduction restored, with \$53,000,000 of total to come from Section 32 funds-----	82, 000, 000
Reduction in School Lunch Program from \$157,000,000 to \$138,000,000 proposed. Reduction restored-----	19, 000, 000

Agricultural Stabilization and Conservation Service:

The Committee recommends that the proposed cut in the Agricultural Conservation Program from \$220,000,000 to \$100,000,000 be disapproved and that the 1967 program be maintained at the present year's level of \$220,000,000, plus \$30,000,000 for administrative expenses-----	0
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Rural Electrification Administration Loan Authorization:

Reduction in electrification loan authorization restored from \$220,000,000 proposed to 1966 level of \$365,000,000, with \$72,500,000 placed in contingency reserve-----	0
Reduction in telephone loan authorization restored from \$85,000,000 proposed to 1966 level of \$97,000,000, with \$6,000,000 placed in contingency reserve-----	0

RURAL COMMUNITY DEVELOPMENT

This Committee has a long record of support for rural development. It has recognized the benefits to the nation from programs to enable people to stay on the land instead of moving into the already overcrowded towns and cities, or to return to the land, while working in the towns and cities. It has realized that, if the usual conveniences were made available in non-urban areas, more and more people would be attracted to live in such areas. The Committee has recognized, too, the dispersion of many activities which makes rural development essential. For many years it has supported adequate funds for rural electrification, rural telephones, housing and development loans, and loans for water, recreation, drainage and other special community facilities. It has also supported efforts to encourage industrial development to provide supplemental income in rural areas.

Such rural development efforts, however, should complement established programs which enable our farm producers to feed and clothe our people with the world's lowest food cost of only 18 percent



of disposable consumer income. They should not be dependent upon approval of a new organization, without a program of its own, which in the opinion of the Committee, would only retard the successful efforts of the Farmers Home Administration and other action agencies.

The Committee therefore takes note of the budget request of \$3,468,000 for fiscal year 1967 for personnel for the Rural Community Development Service which has no substantive program to offer. This amount is nearly 5½ times as large as the 1966 appropriation for this agency. The major part of the increase is requested for additional personnel to establish field offices in 40 States throughout the country, to work with programs of other departments and agencies.

The Committee is in favor of efforts to meet rural problems and will continue to support them. The Committee believes, however, that such programs have been handled effectively in the past through the regular established agencies of the Department, which have been working successfully with rural people through the years. These old-line agencies have the funds, qualified technicians, and established field offices to meet the needs of rural areas. They can function more effectively if additional layers of supervision are not added between Washington and the rural areas to be served.

For example, the Farmers Home Administration has been in existence for 20 years. Its predecessor agencies, the Farm Security Administration and the Resettlement Administration go back to the mid-1930's. During this period, it has made an outstanding record of service to farmers and rural communities. It makes hundreds of millions of dollars of direct and insured loans and grants each year for nearly every phase of farm and rural community life. Programs and funds expected to be available in fiscal year 1967 are as follows:

	<i>In millions</i>
Loans to acquire, build or improve homes and service buildings on farms.....	\$390. 0
Loans to assist family farmers in reorganizing and improving their farming systems.....	300. 0
Loans to acquire, enlarge or develop family farms and to provide facilities for land and water use and conservation.....	247. 0
Loans and grants in areas under 5,500 population for water or waste disposal systems, and recreation, drainage, or other special community facilities.....	236. 0
Emergency loans to restore farm land and facilities damaged by natural disasters.....	68. 5
Technical assistance and loans to public agencies in low-income rural areas to restructure their economy.....	1. 2
Total.....	1, 242. 7

Legislation enacted by the Congress in the past four years has greatly broadened the scope of the Farmers Home Administration. Not only have services to family farmers been increased, but a substantial expansion has taken place in the development of services related to rural community development and rural poverty. This agency might well be designated as the Farmers Home and Rural Development Administration.

The Farmers Home Administration has about 7,000 employees and 1,681 field offices located throughout the country. FHA county office supervisors and home management experts are located in the

same rural areas in which additional personnel is proposed for the new Rural Community Development Service. These employees are experienced and trained in rural problems and have been very successful in helping low-income rural families improve their standard of living and utilize the health, education and welfare services available in their communities.

During fiscal year 1965 the following number of various types of loans were handled by this agency:

Farm ownership loans.....	12, 186
Soil and water loans.....	1, 275
Operating loans.....	72, 597
Rural housing loans.....	15, 779
Emergency credit loans.....	22, 290

Other agencies of the Department of Agriculture, including the Soil Conservation Service, the Extension Service, the Forest Service, and the Consumer and Marketing Service have extensive field operations which are also giving attention to rural problems. Also, the Departments of Housing and Urban Development; Health, Education and Welfare; Commerce; and Labor have large field organizations also providing financial and technical assistance to rural areas. A more detailed description of the activities of these various agencies and departments in rural areas will be found on pages 55 through 70 of Part 4 of the Committee hearings on the 1967 budget.

The Committee for several years has approved a small force at the Washington level to "coordinate" the various programs for rural areas through the Rural Community Development Service. It has included \$637,000 for the coming year to enable this agency to continue to coordinate and expedite this phase of the Department's work here in Washington. It has provided an additional \$400,000 to the Farmers Home Administration to enable that agency to give additional attention to development of projects needed in rural areas through its existing field offices. Also, it has included money for Appalachia with the understanding that additional needs can be met from the regular programs available to all areas of the country. It has restored the proposed budget reductions for the old-line agencies to meet this and other needs of agriculture throughout the country. These nation-wide programs are essential to keep other areas of the United States from facing the same conditions found in Appalachia and other low-income rural areas.

## TITLE I—GENERAL ACTIVITIES

### AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z—15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, marketing and consumer use research, plant and animal disease and pest control and eradication activities. The Administrator of this Service is also responsible for the coordination of all research of the Department. The Service also carries out



emergency programs, when necessary, for the control and eradication of animal diseases, such as foot-and-mouth disease, and for the control of emergency outbreaks of insects and diseases.

The Service directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities. This program is carried out under the authority of sections 104 (a) and (k) of Public Law 480, the Agricultural Trade Development and Assistance Act of 1945, as amended.

*Research.*—The bill includes \$120,673,000 for fiscal year 1967 for the research programs of this agency. This is a decrease of \$5,286,000 in the 1966 appropriation and a restoration of \$12,693,000 to the budget request. The sum of \$750,700 to provide for pay act increases pursuant to Public Law 89-301 is included.

The amount recommended includes an increase of \$1,800,000 for staffing and operating new and expanded farm research laboratories and watershed centers previously authorized by Congress. In view of difficulties of recruiting competent research and scientific personnel, the Committee has approved approximately half of the budget request for this purpose.

The Committee has also included \$100,000 to undertake a research program on equine infectious anemia or swamp fever of horses. Within the past year, there have been confirmed outbreaks in nine States, including Maryland, Illinois, and Washington. The disease is a potential threat to the nation's horse industry valued at \$3.5 billion. The Department has well qualified scientists in this area and is especially well equipped to undertake this research. It should proceed to bring together existing data for immediate use, looking forward to a more complete research program next year.

A total reduction of \$5,561,000 is recommended in the budget, based on the proposed closing or curtailing of numerous research stations throughout the country during this and the next fiscal year. The proposed budget cut consists of three types of research reductions:

Research projects closed in FY 1965 for which final closing costs were incurred in FY 1966-----	\$159, 700
Research laboratories scheduled for closing later in FY 1966 (24 locations)-----	791, 300
Research programs proposed to be eliminated or curtailed in FY 1967 (70 locations)-----	4, 610, 000
Total reduction proposed in budget-----	5, 561, 000

The Committee has not restored the reduction of \$159,700 for projects terminated in FY 1965, since these facilities, have been closed and including the funds would not serve to restore such activities. The balance of the proposed reduction, a total of \$5,401,300, has been restored to the bill for the projects and laboratories scheduled for closing or reduction in fiscal years 1966 and 1967, to be financed from funds transferred from Section 32. A complete list of research facilities and projects restored by this action will be found on pages 354-384 of Part I of the Committee hearings on the 1967 budget.

As noted earlier in this report, had this reduction been approved, it would have seriously affected essential research activities in nearly every important phase of agriculture, including cost-of-production, control of insects and diseases, soil and water conservation, agricultural engineering, utilization, human nutrition and marketing. Less re-

search would have been available for many of the Nation's important food crops including wheat, corn, grain sorghums, rice, sugar cane, sugar beets, fruits, vegetables, and livestock. Important research work at 24 locations throughout the country would have been eliminated during fiscal year 1966, and research would have been eliminated or curtailed at 70 additional locations in nearly every area of the nation during fiscal year 1967.

The reasons for the restoration of these funds by the Committee are discussed at length in the earlier portions of this report. In essence, the Committee's action is based on its belief that it would be a serious mistake to make any reductions which would weaken the ability of our agricultural system to assure an adequate supply of food and fiber to a constantly increasing number of consumers in the United States and abroad who must depend on an efficient and productive agriculture for their future well-being.

Experience clearly demonstrates the absolute necessity of continuous research to stay ahead of threats to our food supply from grain rusts, viruses, plant diseases, drought, heat, winter kill, and other problems. Agricultural scientists have presented ample evidence to prove that our research efforts must be at least 5 years ahead of the constant threat from existing pests and their hybridized descendants. For example, a new race of wheat rust, known as 15B, appeared suddenly in this country and wiped out 300 million bushels of wheat and durum worth \$500,000,000 in the period 1950 to 1955. Previous research on a new variety of wheat called "Selkirk" provided a stopgap crop to partially offset these disastrous losses until research could develop newer and better varieties with resistance to race 15B and other rusts which would eventually adapt and attack "Selkirk."

The bill also provides \$10,619,000 for the construction of 10 research facilities from Section 32 funds, for which planning funds were provided last year and for which plans are expected to be completed during the coming fiscal year. This amount is more than offset by a decrease of \$11,418,000 for non-recurring planning and construction funds included in the 1966 appropriation bill and not needed again in the coming fiscal year. The new facilities funded in this bill are needed to meet urgent research deficiencies in the areas of food crops, livestock production, soil and water conservation, human nutrition and consumer needs.

This construction will doubtless be handled in line with governmental policy on Federal construction. The Committee believes these facilities are equally, if not more essential than most such construction proposals. If Federal construction is to proceed, these laboratories should be included. They are as follows:

Grain marketing research, Manhattan, Kansas.....	\$3, 160, 000
Cereal rust research, St. Paul, Minn.....	600, 000
National Sedimentation Laboratory, Oxford, Miss.....	935, 000
Range livestock research, Miles City, Mont.....	481, 000
Meat animal research, Clay Center, Nebr.....	3, 450, 000
Nutrition and Consumer Use research, Grand Forks, North Dakota.....	583, 000
Soil and water research, Pendleton, Ore.....	380, 000
Pasture research, University Park, Pa.....	360, 000
Soil and water research, Bushland, Tex.....	325, 000
Barley research, Madison, Wisc.....	345, 000

Total construction funds.....	10, 619, 000
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As noted earlier, language in the bill provides that the \$5,401,300 restored for the research projects and the \$10,619,000 included for new laboratory construction, as described above, will be financed from Section 32 funds. A transfer of up to \$25,000,000 each year from Section 32 for research activities was authorized several years ago in Public Law 88-250.

A reduction of \$78,000 has been made under this heading in view of unauthorized transfers made in the current year to the Rural Community Development Service (\$66,000) and the National Advisory Commission on Food and Fiber (\$12,000). These transfers were made from funds authorized by the Congress last year for specific research purposes. Through the years, the Committee has relied upon officials of the Department to keep it informed in advance of proposed shifts in the use of funds specifically authorized by the Congress for certain purposes. It was surprised to discover these two transfers during the hearings and was disturbed to find that the long-standing working arrangement between the Department and the Committee in this regard had been disregarded. Since this agency was able to operate during the current fiscal year without the funds which were transferred for other uses, they have been eliminated for the coming fiscal year.

*Contingency research fund.*—A larger than usual number of members of Congress and public witnesses presented testimony to the Committee this year. Many of their statements were in support of the restoration of proposed research cuts. Others were in support of additional research programs needed to meet special problems in certain areas of the country. The Administrator of the Agricultural Research Service is requested to review the hearing record and to give careful consideration to these proposals in the allocation of funds made available through this appropriation and in the use of his contingency research fund.

There appears to be an urgent need for additional research attention to improved equipment for grain grading, soybean production, tile drainage systems in Southern California, mechanization of production of dates and other commodities, and many other problems. The Administrator is requested to study each of these matters, bringing together existing research data and making it available to those who need it, and to undertake as much new research as possible within the limits of available funds. It is recognized that only a small beginning can be made in the coming year. But the problems are so important and the monetary values are so great that it is imperative that a start be made next year, looking forward to the inclusion of more adequate research funds in future budgets for these purposes.

Also, consideration should be given to the resumption of a small-scale cooperative research project on rabbit breeding either at the University of Arkansas or in California. In view of the great number of small, and in many cases, retired farmers who depend on rabbit production as an important source of income, some continuing research attention to their problems is warranted.

*Plant and animal disease and pest control.*—The Committee recommends an appropriation of \$76,764,000 for fiscal year 1967, an increase of \$1,217,000 over funds provided for fiscal year 1966 and an increase of \$7,016,000 in the budget request. The full budget estimate of \$438,300 for pay costs authorized by Public Law 89-301 is included.



The proposed budget reduction of \$7,803,100 for various insect and disease control programs has been restored by the Committee as outlined earlier in this report. The restorations are as follows:

Imported fire ant.....	\$3, 303, 000
Phony peach and peach mosaic.....	190, 600
Soybean cyst nematode.....	523, 000
Sweetpotato weevil.....	296, 600
Barberry eradication.....	371, 700
Golden nematode.....	320, 000
Gypsy moth.....	261, 800
Witchweed.....	350, 000
Brucellosis.....	1, 702, 100
Scabies.....	484, 300
Total restorations.....	7, 803, 100

With greater threats from insects and diseases due to increasing travel and transportation between all parts of the world, with the supplies of certain basic foods reaching low levels, with farm labor in short supply, with increasing costs of production, and with the many other problems facing agriculture and the consumer, the Committee believes it unwise to reduce our efforts to keep insects and diseases from destroying our food supply and from spreading to new parts of the nation. It appears much more appropriate to intensify these activities in the hope of eventually eradicating these pests wherever possible.

The imported fire ant was introduced into the Mobile, Alabama area about 1920, probably from South America. By the end of 1953, the pest was known to infest 102 counties in 9 southern states. A cooperative eradication program was initiated by the States affected and the Federal Government in 1957. The program has helped to prevent long-distance spread, has eliminated outlying infestations, and has protected other areas of the country. Crop losses and increased cost of production in infested areas fully justify continued efforts to control and eradicate this pest. Large potential losses warrant the continuation of a cooperative Federal-State program to prevent spread to the uninfested areas in the rest of the country. The Administrator is requested to plan a 3-year program to eradicate this pest if assurances of full cooperation are received from State and local authorities.

The damage to the supply of food and fiber of the Nation from the other insects and diseases for which funds for control and eradication have been restored is well documented. During the summer of 1965, 263,000 acres were defoliated by the gypsy moth in the Northeastern States and it appears that further spread is likely in 1966 unless increased control measures are taken. It has been possible to confine the golden nematode to a small area of Long Island through cooperative Federal-State control; however, a reduction in Federal participation in this effort would allow this insect to spread to potato growing areas in other parts of the country. The golden nematode has recently been discovered in Canada, which presents a new threat to potato growers in Idaho and the Northwest.

Crop losses from the soybean cyst nematode in 1965 exceeded the \$3,000,000 loss estimated by growers in 1964, and surveys reveal infestations in 15 new counties involving nearly 100,000 acres. Until

a nematode resistant variety of soybean can be developed and distributed, the present control program must be continued.

Barberry is one of the most important sources of destructive stem rust diseases of wheat and feed grains. In view of present low supplies of these important food crops in this country, and in view of possible future world food shortages, it is essential that control of cereal rusts be continued at least at present levels.

Phony peach and peach mosaic are a constant threat to the growers of peaches and other fruits in the United States. Without adequate measures to control these diseases, the fruit industry in many areas would be wiped out. Both Federal and State participation are essential for satisfactory control programs.

The sweetpotato weevil is regarded as the most important pest of sweetpotatoes and failure to control it could result in a complete loss of the crop. Federal participation in its control appears to be necessary in view of the large area of the country infested. Additional infestations have been found in several States in the past year and increased concern has developed at local levels. This control work should be kept at present year levels to protect this segment of agriculture production.

Witchweed infestation is still confined to 35 counties in North and South Carolina. Some 661 new infested properties covering 17,118 acres were found in 1965. The present program should be continued to prevent further and possibly long-distance spread.

More than 18 percent of the country, including 8 complete States, has been certified brucellosis free. Over 88 percent of the Nation's counties have achieved the modified brucellosis-free status. It is essential that eradication be completed in the rest of the areas of the Nation in the shortest possible time. A reduction in Federal support would not only be unfair to States and counties where the disease has been eradicated, but it would be a most unwise backward step, which could result in the loss of funds previously invested in this effort.

According to expert witnesses, there have been 15 new cases of cattle scabies reported since the submission of the 1967 budget. The potential loss in meat production, and the loss of gains made in sheep and cattle scabies control to date, indicate the wisdom of continuing funds for this purpose at the current level.

The funds recommended in this bill also include an increase of \$600,000 for plant and animal quarantine inspection at our ports of entry. Half of this amount is provided to put USDA inspectors on the same Sunday overtime arrangement as is used for Customs and Immigration inspectors with whom they work side-by-side. The balance is to meet the ever increasing threat to American agriculture from imported insects and diseases.

Nearly 8 million more people entered the United States during fiscal year 1965 than during the previous 12 months. Arriving 24 hours a day, seven days a week, an increasing number of these entries are at inland ports for ocean-going vessels and interior airfields, thus increasing the hazard of quick spread of any introduced foreign pests within the country.

Indicative of the scope of the problem is the number of plant pests and prohibited plant material intercepted. During fiscal year 1965, over 478,000 interceptions were made at ports-of-entry—21% over the average of the preceding five-year period. More than half of



these interceptions were found in the 36.6 million pieces of baggage carried into the country by 186 million persons who entered the country during the year. The remainder was found, for the most part, in the stores of planes and ships, in mail and in commercial shipments.

Air passenger traffic, as well as air cargo, continues on a steady upward trend. The growing volume of vehicular traffic from Mexico and Central America (29 million vehicles in fiscal 1965) adds to the risk of pest introduction, making it necessary to intensify efforts to prevent the entry of dangerous pests from those countries. Travel to and from Hawaii and offshore islands continues to be increasingly popular, placing additional responsibility on the inspection force to forestall the movement of several notoriously destructive pests to the mainland.

Recognizing the constantly growing demand for more Federal inspectors, the Committee has continuously urged the Department to work with transportation companies to make travelers more aware of the dangers of bringing prohibited products to the United States in their baggage. Much work has been done along this line, but it is apparent that even more positive action must be taken to meet the increasing problem facing the country. The Committee recommends that steps be taken by the Department to (1) notify travelers and shippers of the penalties provided by the law for the violation of restrictions on importations from abroad, and (2) impose fines and other penalties for violation of such restrictions.

The bill also includes an additional \$100,000 for diagnosis, control, and eradication of equine piroplasmiasis and infectious anemia (swamp fever) of horses. These diseases pose a serious threat to the nation's horse industry of the country. Diagnosis and control must be started as soon as possible in view of recent serious outbreaks in Maryland and Florida and the threat to other areas of the country.

An increase of \$400,000 is recommended in this appropriation to strengthen pesticides regulation under the Federal Insecticide, Fungicide and Rodenticide Act. Increased concern over pesticides and pesticide regulation makes it imperative that the registration and enforcement work under the Act be expanded. The increase will provide additional chemical laboratory tests at Beltsville and more field inspection in areas of high production, shipment and use of chemicals.

A proposed decrease of \$321,300 has been approved, due to the elimination of 1966 non-recurring screwworm survey funds. This survey, which is now underway in Mexico to obtain information on screwworm infestations threatening the United States, will be completed in fiscal year 1966 and funds will not be needed in fiscal year 1967.

A serious threat to cotton production in southern California from the pink bollworm was discovered in the fall of 1965. Also, a boll weevil threat appears to be developing in that area. The Department is requested to undertake a cooperative program with the State of California to keep this infestation from spreading to new areas and to eradicate it as rapidly as possible. To get such a program underway, the Administrator should use his contingency funds to the extent necessary to meet the emergency aspects of the situation.

*Special foreign currency program.*—The 1967 budget proposes a new authorization procedure for the use of foreign currencies, gener-



ated primarily under Public Law 480, for agricultural research abroad. The appropriation language proposed in the budget would authorize expenditures directly from foreign currencies of various countries held by the Treasury in such amounts as are authorized in the annual appropriation acts.

Since 1960, the Congress has required that foreign currencies used for this and similar Federal purposes be taken from excess currencies owned by the U.S. Treasury in amounts equivalent to dollars appropriated in the annual appropriation acts. In view of this well established policy, the Committee has provided an appropriation of \$3,000,000 for this purpose next year in lieu of the authorization procedure proposed. The amount recommended is the same as was appropriated for fiscal year 1966.

#### COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955, (Hatch Act of 1887, as amended) (2) payments under Section 204(b) of the Agricultural Marketing Act of 1946 to State agricultural experiment stations, (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958, (4) grants for cooperative forestry research under the act approved October 10, 1962, and (5) grants for facilities under the act of July 22, 1963.

An appropriation of \$55,227,000 is recommended for this cooperative research program of the Land-Grant institutions for 1967. This is the same amount as provided for FY 1966, including a transfer of \$400,000 from Section 32 funds for which a direct appropriation is recommended for FY 1967.

The 1967 budget proposes a reduction of \$8,245,000 for payments to the State experiment stations under the Hatch Act, together with a reduction of \$2,000,000 for grants for construction of facilities at research stations. As previously pointed out in this report, the Committee has restored these amounts to last year's level. This results in a net restoration of \$7,487,000 due to an offsetting decrease for research grants.

A full discussion of the reasons for these restorations is contained in earlier portions of this report which stress the contributions made to the American economy by the cooperative research programs of the State Land-Grant Colleges.

Representatives of the various Land-Grant institutions presented testimony during the Committee hearings indicating the many problems which the proposed reductions have already created in advance planning, maintaining trained personnel, and carrying on a sustained research program.

One prominent university official stated to the Committee:

Of very great significance to the future of our nation is the fact that our scientists who work at the State stations have associated with them in the conduct of their research nearly 10,000 graduate students. These graduate students represent our nation's supply of future scientists. \* \* \* It is estimated that the \$8.5 million proposed reduction in funds may

adversely affect support to more than 2,000 graduate students normally in the process of completing contracts with the State stations at this time of year for employment beginning either on July 1 or October 1. The consequences of the proposed reduction in federal funds relative to support for graduate students will within the next two or three years intensify the already critical manpower shortage with respect to agricultural scientists.

The Dean of Agriculture of one of our large universities made the following statement:

If sustained, the proposed reductions in Federal funds for land-grant institutions are likely to have *long-range consequences of an undesirable character* in addition to immediate effects on production. \* \* \*

Research is not a stream to be turned off on a short notice when crises are solved or to solve new ones. Efficient solutions to problems, including emergency problems, increasingly rests upon fundamental research. Results can be accomplished only if long-term governmental and institutional commitments are continued.

Attention is directed to similar testimony contained in Part 5 of the Committee hearings from numerous expert witnesses. Their statements, and similar testimony from many members of the House, all support the recommendation of this Committee that the funds for the cooperative state research programs be restored to the present level.

#### EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953, and the act of August 11, 1955. The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. This staff, which is located primarily in Washington, serves as liaison between the Department of Agriculture and the States, provides leadership and assistance to the States in the conduct of the program, and provides leadership in and coordination of the educational phases of all programs under the jurisdiction of the Department.

The Committee recommends \$89,824,000 for fiscal year 1967 for the various programs of this agency. This is an increase of \$689,000 in appropriations for FY 1966 and a decrease of \$400,000 in the budget estimate.



For payments to states under the Smith-Lever Act, the full budget estimate of \$75,917,500 is provided. Also, the budget request of \$8,139,500 is recommended for retirement and employees' compensation costs for extension agents, and the estimate of \$3,113,000 for penalty mail costs is included in the bill.

The budget proposal to shift \$10,000,000 from the formula provisions of Sections 3(c) of the Smith-Lever Act to non-formula distribution under Section 3(d) of that Act is not approved. The language of the bill provides that the full amount included for payments to states, other than \$1,570,000 for cooperative marketing work, shall be distributed under the existing formula provisions of the Smith-Lever Act.

As stated earlier, the proposed shift in funds would have seriously affected the regular continuing extension activities at the State and county level and would have adversely affected the long-range continuity and effectiveness of the county agent system.

A large proportion of House members and public witnesses appearing before the Committee this year presented statements in opposition to the transfer proposed by the budget. The Director of the Extension Service in one of our important agricultural States summarized the need for the retention of these funds under Section 3(c) as follows:

The fundamental concept of the Cooperative Extension Service is that it be a joint cooperative effort supported by federal, state and county or parish levels of government but with the primary program and administrative responsibilities located at the Land-Grant University and the county or local level of government. Since the passage of the Smith-Lever Act the federal portion of the budget for the Cooperative Extension Service Program within the states has been distributed to the individual states according to a formula set by Congress. \* \* \* The flexibility permitted the states by this formula method of distribution of funds has permitted the individual counties and states to develop highly effective and productive programs that best meet the most pressing needs of the individual community and state. \* \* \* It has likewise been a key factor in permitting the development of the volunteer leadership that has been so invaluable and productive in carrying out Extension programs.

#### FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their business. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also



advises other Federal agencies on problems relating to agricultural cooperatives.

The budget estimate of \$1,175,000 is recommended for the coming fiscal year. The increase of \$8,000 is provided to cover additional pay costs in FY 1967 pursuant to Public Law 89-301.

#### SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935. It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

**Conservation operations:** The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs.

**Watershed planning:** The Service has general responsibility for making investigations and surveys of proposed watershed projects in response to requests from sponsoring local organizations and for assistance in the development of watershed work plans.

**Watershed protection:** The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

**Flood prevention:** The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures. The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

**Great Plains conservation:** The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated countries of the 10 Great Plains States.

**Resource conservation and development activities:** The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

*Conservation operations.*—An appropriation of \$109,235,000 is recommended for the coming fiscal year for technical assistance to soil conservation districts, communities and other cooperatives, and for related activities. The amount approved is an increase of \$433,000 in the 1966 appropriation and is \$215,000 over the budget estimate.

An increase of \$807,000 is included to cover pay costs in fiscal year 1967 pursuant to Public Law 89-301.

The sum recommended includes \$515,000 to provide staff assistance for an additional 18 districts which are expected to be organized in fiscal year 1967. Congress has encouraged the formation of new districts to expand soil conservation work to every area of the nation. The provision of adequate funds to meet their needs in the early stages of their development is important to their successful operation.

The regular assistance to existing districts should be continued in the coming year and the number of technicians in predominantly agricultural areas should not be reduced to provide assistance to the new recreational type of programs.

An additional \$750,000 is provided for technical assistance in the Appalachian Region. In addition to the expanded assistance specifically provided for this region by these funds, the services of the regular soil conservation technicians are available to meet the soil conservation needs in this area in the same way and on the same basis as they are provided to all other regions of the nation. The appropriation recommended also includes \$51,000 for continuing the operation of a new plant materials center in Appalachia which provides seed and plants used for soil and water conservation purposes in the area.

The 1967 budget proposes a reduction of \$3,600,000 for soil surveys needed for planning and technical assistance to conservation district cooperators. In view of the need to continue field mapping and publication of soil surveys as a basis for effective soil and water conservation activities, the Committee recommends the restoration of \$2,000,000 of the proposed reduction.

A decrease of \$90,000 has been made to adjust the appropriation by the amount of unauthorized transfers made during the present fiscal year to the Rural Community Development Service (\$78,000) and the National Advisory Commission on Food and Fiber (\$12,000). This action is in line with a similar adjustment discussed more fully under the Agricultural Research Service.

*Watershed programs.*—The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, this Committee provided \$5,000,000 in the 1954 Appropriation Act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, Congress enacted Public Law 566, 83d Congress, which placed this program on a permanent basis. Also, under authority of Section 8 of this same Act (as amended) loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations included in this bill for P.L. 566 projects designated as "Watershed Planning" and "Watershed Protection", and through a separate appropriation, "Flood Prevention", which covers the 11 original major watersheds.

For the watershed planning program, the Committee recommends \$6,142,000 for the next fiscal year, an increase of \$289,000 over the appropriation for FY 1966. The amount provided includes an increase of \$29,000 for pay costs pursuant to Public Law 89-301. It also includes \$260,000 for watershed work plans in the Appalachian



Region. In addition, planning assistance is available as needed in Appalachia from the regular planning activities of this agency.

The budget proposes to reduce the number of new planning starts from 100 authorized for the current fiscal year to 50 for FY 1967. Of this number, it is proposed to allocate 10 to the Appalachian area, which would leave 40 for the rest of the Nation—less than one per State.

The Committee does not agree with the proposed cut in new planning starts. In view of the large number of applications for planning received to date and still waiting for planning action, it believes that the limitation on new starts should be restored to at least this year's level of 100. Figures provided by the Department show that an estimated total of 2540 applications will have been received by next June 30, with 1059 still waiting for planning to be started. As of last June 30, there were 941 applications which had been approved for planning but upon which no work had been started.

An appropriation of \$67,020,000 is included in the bill for watershed protection projects under Public Law 566 and the original pilot program. This is an increase of \$689,000 in the FY 1966 appropriation and is \$461,000 above the 1967 budget. An increase of \$1,000,000 is included to accelerate river basin surveys and investigations, and \$225,000 additional is provided to meet pay costs pursuant to Public Law 89-301. These are partially offset by a decrease of \$36,000 due to completion of all but one of the original pilot projects, and a budgeted decrease of \$500,000 for watershed protection loans.

The budget proposes to reduce the funds for installation of works of improvement in Public Law 566 watershed projects by \$1,444,600. It also proposes to cut the number of new construction starts from 80 in the present year to 35 next year. Of the 35, seven are allocated to the Appalachian Region, leaving only 28 new construction starts in the rest of the country for the coming fiscal year. The Committee has restored the proposed reduction in funds and proposes that construction starts be restored at least to the present level of 80. With regard to the Metropolitan Water Management project in the Tennessee-Mississippi area, such project shall include the Big Hatchie watershed in Tennessee and Mississippi in cooperation with the Corps of Engineers.

This action is taken in view of the need for additional protection of our soil and water resources. It is also based on the constant increase in demand for this program and large number of small watershed projects which have been and are still awaiting construction. The following tabulation shows the status of projects under this program:

	1965 Actual	1966 estimate	1967 estimate
Projects approved for operations:			
Uncompleted projects at beginning of year.....	503	552	627
Projects approved during year.....	66	105	120
Total.....	569	657	747
Uncompleted projects (cumulative) at end of year.....	552	627	707
Projects completed (cumulative).....	83	113	153
Total projects approved (cumulative).....	635	740	860

It will be noted from the above figures that the number of uncompleted projects which have been approved for construction is expected

to increase from 503 on June 30, 1965, to 552 on June 30, 1966, and to 627 on June 30, 1967. It will also be noted that the number of new projects approved is expected to increase from 66 in 1965, to 105 in 1966, and to 120 in 1967.

The full budget of \$25,654,000 is recommended for the flood prevention watershed program for FY 1967. The increase of \$83,000 is provided to meet pay costs pursuant to Public Law 89-301. The following table summarizes the status of flood prevention projects:

[Dollars in thousands]

Watershed	Estimated total Federal cost <sup>1</sup>	Total obligated, June 30, 1965 <sup>2</sup>	Estimated percent completed, June 30, 1965	Estimated obligations, fiscal year 1966	Estimated obligations, fiscal year 1967	Balance required to complete after 1967
Buffalo Creek, N. Y.-----	\$4,615	\$4,615	100	-----	-----	-----
Colorado (middle), Texas-----	34,957	18,446	53	\$1,809	\$2,017	\$12,685
Coosa, Georgia, and Tennessee-----	12,693	9,803	77	1,059	1,204	627
Little Sioux, Iowa and Minnesota-----	33,513	16,284	49	1,591	1,210	14,428
Little Tallahatchie, Mississippi-----	20,730	14,573	70	1,641	1,919	2,597
Los Angeles, California-----	48,435	21,218	44	2,451	2,081	22,685
Potomac, Pennsylvania, Maryland, Virginia, and West Virginia-----	31,550	12,574	40	2,689	2,906	13,381
Santa Ynez, California-----	10,718	5,841	54	532	473	3,872
Trinity, Texas-----	92,601	45,044	49	4,243	4,336	38,978
Washita, Oklahoma and Texas-----	74,951	50,541	67	5,274	4,132	15,004
Yazoo, Mississippi-----	57,637	32,479	56	4,729	4,876	15,553
Total-----	422,400	231,418	55	26,018	25,154	139,810

<sup>1</sup> Based on 1960 prices.

<sup>2</sup> Does not include loans or emergencies.

In connection with the problem of enlarging and improving the channel of the San Miguelito Ditch in the Santa Ynez watershed, California, the Soil Conservation Service should review the situation to determine if such channel work is necessary to the development of the project.

*Great Plains conservation program.*—The budget request of \$16,112,000 is provided for the coming fiscal year, an increase of \$30,000 to cover pay costs pursuant to Public Law 89-301.

Much of the Great Plains area is suited to production of cultivated crops when needed conservation measures are properly applied. There are, however, some 11 to 14 million acres of land in cultivation that are not suited to such use due to soil type, topography, and low rainfall. Concentrated efforts are being made under this program through technical and cost-sharing assistance to help landowners and operators make needed land-use changes. Soil surveys are used to get the needed land facts. Progress is being made by program participants in getting land unsuited for cultivation converted to permanent vegetative cover, and to reseed denuded rangelands.

Cost-share contracts as of June 30, 1965 covered 5,880,234 acres which were being used as cropland at the time the contracts were signed. The plans of operation developed and made a part of the contracts provided for the conversion of 1,299,568 of these acres (about 22.7%) to permanently vegetated rangeland or other non-crop uses. The percentage of cropland conversions ranged from 10.0% in Kansas to 31.8% in South Dakota. During the fiscal year 1965, farmers and ranchers actually completed the establishment of 164,340



acres of permanent vegetative cover and reseeded 96,026 acres of deteriorating rangeland for which they received assistance under their cost-sharing contracts.

*Resource conservation and development.*—This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

The 1966 appropriation of \$4,347,000 is recommended again for 1967. With the budget proposal to reduce project investigations and planning by \$305,000 and loans and related expense by \$1,000,000 during the coming fiscal year, the appropriation recommended will permit an increase of \$1,275,000 for resource development and technical services and \$30,000 additional for pay costs pursuant to Public Law 89-301.

The increase for resource development and technical services, together with funds expected to be carried forward from prior-year appropriations, will provide additional support for the 10 projects authorized for 1966. In addition, it will provide approximately \$500,000 for the 5 additional projects proposed for 1967.

#### ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

An appropriation of \$12,032,000 is included in the bill for the next fiscal year. This is an increase of \$250,000 in the funds provided for FY 1966 and is a decrease of \$515,000 in the budget request.

An additional \$200,000 is provided for economic research in the Appalachian Region, which can be supplemented by the regular research program of this agency to the extent needed. An increase of \$154,000 is included for research on water management and use in agriculture, and \$96,000 is approved for pay act costs pursuant to Public Law 89-301. These increases are partially offset by a reduction of \$200,000 provided last year for a study of the food industry which will be completed in FY 1966.

The need for expanded research on water management and use is reflected in the recommendation of the Federal Council for Science

and Technology that Federal research be increased in all phases of water management. The Council especially cited the need for expanded research on economic aspects, which they considered to be the major deficiency in current programs. Cooperation of State experiment stations and State water resource institutes is expected in these studies.

#### STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The bill includes an appropriation of \$13,272,000 for the programs of this service in FY 1967. This is a decrease of \$795,000 in the 1966 appropriation and is \$162,000 below the 1967 budget estimate.

An additional \$116,000 has been approved for expansion of the long-range program for improving crop and livestock estimates, which was initiated four years ago to increase the accuracy and dependability of these estimates in view of their extreme value to those engaged in agriculture. An increase of \$350,000 is included for improved data collection on farm employment and farm wage rates. Recent changes in farm labor use, supply and costs make it imperative that additional data be developed to guide farmers in meeting this problem. Also, \$86,000 has been added to cover pay act costs pursuant to Public Law 89-301.

These increases are more than offset by decreases, including reductions of \$150,000 resulting from management improvements, and \$1,197,000 provided last year for a large-scale computer which will be purchased and installed during the present year, and for which funds will not be needed in the coming year.

#### CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service, formerly called the Agricultural Marketing Service, was established November 2, 1953, under authority of section 161, Revised Statutes, Reorganization Plan No. 2 of 1953 and other authorities. The Service carries on the following principal programs:

Consumer protective, marketing and regulatory programs: These activities contribute to the efficient and orderly marketing of agricultural commodities. They include the Market News Service; meat and poultry inspection; other inspection, grading, classing and standardization services; and regulatory activities such as the Federal Seed Act, the Packers and Stockyards Act,\* U.S. Warehouse Act, Standard Container Act, and others.

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\*Separate appropriation recommended for FY 1967.



**Payments to States:** The Service administers the matched fund program for marketing activities carried out through cooperative arrangements with State departments of agriculture, bureaus of markets, and similar State agencies.

**Special milk program:** Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

**School lunch program:** Federal assistance is provided to States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children, and broaden the market for agricultural food commodities.

**Removal of surplus agricultural commodities and marketing agreements and orders:** These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (a) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416; and cooperation with the food trade and others to encourage consumption of abundant foods; (b) formulation and administration of marketing agreements and orders.

**Food Stamp Program:** This program is authorized by the Food Stamp Act of 1964 (P.L. 88-525, approved August 31, 1964). It is aimed at making more effective use of the Nation's food abundance and at improving nutritional standards of needy persons through the issuance of food coupons which may be used in retail stores for the purchase of commercial brand foods.

*Consumer protective, marketing and regulatory programs.*—For the coming year, an appropriation of \$82,757,000 is recommended for this purpose. This is an increase of \$5,103,000 over funds authorized for FY 1966 and is a reduction of \$904,000 in the budget request.

An increase of \$3,000,000 is recommended for meat inspection and an additional \$1,000,000 is proposed for poultry inspection. This will provide about 275 additional meat inspectors and 85 additional poultry inspectors for the next fiscal year. Due to the continuing movement away from large packing plants in major centers, the number of meat packing and processing plants requiring inspection continues to increase. The following figures indicate this continuous upward trend for meat inspection:

	1962	1963	1964	1965	Estimate, 1966
Number of establishments under inspection on June 30-----	1,511	1,590	1,679	1,775	2,100
Number of cities and towns in which establishments located on June 30-----	623	672	702	743	777

Also, increased consumption of poultry due to population expansion, and a standard of living which permits a per capita increase in consumption, is resulting in an ever increasing volume to be inspected.

The following figures indicate the continuous upward trend in workload for poultry inspection:

	1963	1964	1965	1966 (estimate)	1967 (estimate)
Million pounds inspected (live weight).....	9, 936	10, 741	11, 310	12, 500	13, 250
Number of operating lines under inspection as of June 30.....	1, 287	1, 284	1, 326	1, 394	1, 428
Number of approved plants as of June 30..	966	972	994	999	1, 004

An additional \$613,000 is included to provide for cotton micronaire readings as a part of cotton classing. On June 1, 1966, the Department amended the cotton standards to require micronaire readings of fiber fineness and maturity as a part of classing, in addition to the traditional grade and staple determinations. It is estimated that about 12 million samples will be tested in the coming year, at an average cost of 5 cents per sample.

A budget estimate of \$570,000 is approved for pay act costs pursuant to Public Law 89-301. This is partially offset by a reduction of \$80,000 for unauthorized transfers made during the current year to the Rural Community Development Service (\$58,000) and the National Advisory Commission on Food and Fiber (\$22,000), as discussed earlier for the Agricultural Research Service and the Soil Conservation Service.

For a number of years, the Committee has believed that the enforcement of the Packers and Stockyards Act could be handled more effectively by a separate unit located directly under the Secretary's office. In its report on the 1964 appropriation bill, the Committee called on the Secretary to take such action. This position had been concurred in also by the Senate Appropriations Committee. In view of present problems facing the meat industry, and in view of the increasing need for the Department to assure free, open, and fair competition and fair practices in the marketing of livestock and poultry, the Committee feels that this change can no longer be deferred. Accordingly, it has transferred the funds totaling \$2,400,000 for operation of the Packers and Stockyards Act from this appropriation to a separate heading later in this bill. With this transfer, it again urges the Secretary to place this unit under his direct supervision in the same way that the Commodity Exchange Authority is located.

*Payments to States and possessions.*—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State Departments of Agriculture, Bureau of Markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of \$1,750,000 is recommended for the coming fiscal year, the same amount as provided for fiscal year 1966.

*Special milk program.*—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Non-profit schools of high school grade and under, all nonprofit summer camps, and child-care institutions devoted to the care and training of children, are eligible to participate in the program.



The proposal to reduce this program from \$103,000,000 in FY 1966 to \$21,000,000 for the coming fiscal year is one of the most drastic reductions presented to the Committee in the 1967 budget. If approved, it would deny supplemental milk to about 80 percent of the school children now receiving such milk. In addition, the proposal to limit the program to needy children would place a stigma on those children to receive milk next year, which could substantially reduce the number of children who would participate.

The benefits of this program to the health and dietary habits of school children of this Nation are well recognized. Many witnesses have testified to the benefits to school attendance and an improved approach to learning by students receiving this milk free or at reduced prices.

The program has been so successful that it has been adopted in many other countries of the world. Large quantities of dried milk have been shipped abroad under our food-for-peace program for use in the schools of countries to which we are supplying aid and assistance. Further, as pointed out earlier, the number of young people turned down for military service due to physical defects resulting from nutritional deficiencies indicates the importance of continuing programs which contribute to the health and welfare of our school children.

The Committee has restored the proposed budget cut by providing a direct appropriation of \$50,000,000 and by directing the transfer of \$53,000,000 from Section 32 funds. The latest available data on the status of Section 32 funds indicates that this transfer can be made without impairing the Department's ability to meet the primary purposes for which this fund was created.

*School lunch program.*—The budget proposes a reduction of \$19,000,000 in this program—from \$157,000,000 in FY 1966 to \$138,000,000 for FY 1967. If approved, this would mean an average Federal reimbursement of 4 cents per meal in lieu of the standard reimbursement of 5 cents per meal which has been used in recent years to determine appropriation levels.

The budget proposal would reduce the funds for commodity purchases under Section 6 of the School Lunch Act by \$14,325,000 and would limit such purchases to the \$45,000,000 transfer from Section 32 funds. Section 6 funds have been used to purchase foods for distribution to schools participating in the program to provide well balanced and nutritional meals. This has proved to be a valuable feature of the program and has provided high quality foods at lower prices than obtainable through small quantity purchases in local communities. This feature of the program will be even more valuable in the future as the supply of commodities decreases and prices increase accordingly.

Through the years, the School Lunch Program has contributed much to the welfare of all our people. It has been of great value to our educational system throughout the United States. Along with the special milk program, it has contributed significantly to the health of our school children. It has taught them proper eating habits and has improved their school attendance and study habits. It has provided the only balanced meal that some children receive each day.

The representative of a national organization of parents expressed it to the Committee as follows:

The first children who participated in the School Lunch program are now young adults—*inches taller, perhaps even wiser, than the preceding generation.* Those first “graduates” of the School Lunch program are now serving their country in one way or another, as the beneficiaries of the best physical and mental preparation ever provided any generation of Americans. A vital part of their physical preparation has been, we are convinced, providing balanced noon-time meals during their school years, a crucial time of growth. Nor has the School Lunch program, in providing those school-day meals, been selective as to which children should benefit most, or least. Like our public school system itself, this program has been made available to *all* school children.

As a major part of our international programs, we are doing more and more to help feed a hungry world. We are sending food abroad through Public Law 480, and we are making foreign currencies generated thereunder available in the recipient countries for programs of public assistance. As a part of our AID program, we are establishing school lunch programs in many of these countries, patterned after the program in the United States.

Believing that we cannot reduce the benefits of this program to our own school children at a time when we are planning to feed increasing numbers of people abroad, the Committee has restored the funds for this program to the current year's level of \$157,000,000, plus the transfer of \$45,000,000 from Section 32 funds. It has provided adequate funds so that the Section 6 purchases may be restored to the fiscal year 1966 level.

Participation in the school lunch program continues to grow each year. The tremendous increase since 1947 is shown by the following figures:

	1947	1963	1964	1965	1966 (estimate)
Number of schools.....	44, 537	67, 728	69, 616	70, 292	71, 300
Number of children (peak—thousands).....	6, 016	15, 035	16, 087	17, 025	18, 001
Number of meals served (millions).....	910.9	2, 554.8	2, 702.1	2, 892.5	3, 065.4
Number of free or reduced-price lunches served (millions).....	109.4	245.7	266.1	285.8	306.5
Free or reduced-price lunches as per- cent of total lunches served.....	12.0	9.6	9.9	9.9	10.0

*Food stamp program.*—The bill includes the full budget estimate of \$150,000,000 for the coming fiscal year, to be financed by transfer from Section 32 funds as proposed by the budget. This is an increase of about \$50,000,000 in the amount of funds available for FY 1966.

The Food Stamp Program is designed to benefit those families who are receiving some type of welfare assistance—primarily, the unemployables, the aged, the blind, the disabled, and mothers with dependent children. It is also authorized to help other families with incomes as low or lower than that of families receiving welfare assistance but who, for a variety of reasons, are not eligible for welfare



assistance. This may include those living on small pensions, the unemployed, the underemployed, and those whose training limits them to unskilled low-paying employment.

Under the program, families must invest the money they would normally spend for food in the purchase of food stamps. In return, they receive additional stamps without charge. Thus the normal food budget continues to be spent for food and the Federal assistance results in the purchase of more food. The increase in retail food stores sales (averaging about 8 percent) in areas in which the program is operating, results in a further expansion in farm markets and acts as a stimulant to the overall economy of those areas.

During fiscal year 1966, the program is being expanded to about 1.3 million persons in approved areas throughout the country. The budget request will permit further expansion in 1967 to an estimated 570,000 needy people located in 150 or more areas. State welfare agencies request the areas in which they desire the program. With the continuing improvement in employment in larger and more industrialized areas, States have placed a priority on getting the program started in smaller and more rural areas within the State. As a result, there is a widening geographic dispersion of project areas within the various States.

#### FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690 approved August 28, 1954, transferred the agricultural attaches from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program, general sales management for government-owned surplus commodities, ocean transportation functions related to the export of commodities under U.S. programs, and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to Title III of P.L. 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products. It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

For fiscal year 1967, the Committee recommends an appropriation of \$21,088,000, an increase of \$336,000 in the 1966 level of operation and a reduction of \$291,000 in the budget request.

The increase over 1966 includes \$22,000 to provide full-time professional assistance for the recruitment of U.S. nationals for posts in international organizations such as the Food and Agricultural Organization, and the Organization for Economic Cooperation and Development. This small investment to protect U.S. interests in international agricultural matters is believed justified.



An increase of \$250,000 is recommended for the Agricultural Attache Service. This would provide approximately 10 additional assistant attache positions in some of the larger and more important markets for U.S. commodities in certain areas of the world. Five of these would be assigned to Tokyo, London, Bonn, Paris and Rome, where imports of U.S. agricultural products totaled \$2 billion in 1964, approximately one-third of total U.S. agricultural exports. Five would be assigned to growing markets in Hong Kong, Iran, Liberia, Nigeria and Kenya. In addition, 5 positions are provided to permit retraining and reorientation in the United States of attaches between assignments.

A net increase of \$28,000 is included to assure compliance with Public Law 480 and to assure effective handling of funds used for market development programs. The tremendous sums of money and quantities of commodities involved in the Public Law 480 program, and the involved nature of many of the agreements with foreign countries, indicate the need for additional compliance checks and fuller protection of U.S. interests.

An additional \$66,000 is provided for pay act costs pursuant to Public Law 89-301. This is partially offset by a reduction of \$30,000 based on the unauthorized transfer to the National Advisory Commission on Food and Fiber in the current year, as discussed previously in this report.

In 1955, this Committee created a sales manager for the Commodity Credit Corporation with a directive to the Secretary that a positive sales program be established within the Corporation to sell Government-owned commodities and avoid large storage and handling costs. It did not appear to be a sound method of conducting the Government's business for this \$14.5 billion Corporation not to have an aggressive sales program headed by an experienced sales manager.

It was the Committee's intention that the sales manager's primary area of responsibility would be sales for dollars. It was also intended that he would have the final decision with respect to sales for dollars in preference to sales for foreign currencies, barter contracts, or similar sales arrangements.

In 1961, the sales manager was transferred to the Foreign Agricultural Service and his responsibility was limited to export sales. Further, his ability to make final decisions on overseas sales was weakened by putting him under several extra layers of supervisors who are tied in closely with our international policies and are not in a position to make a maximum sales effort on a completely independent basis.

The Committee believes that the sales organization of the Department should have far more independence of action than at present. It feels that a thorough investigation should be made by the Secretary of present sales policies, including direct sales by producer groups, the Federal government, and larger firms. It also feels that the Secretary should order a study of methods of strengthening the operations and authority of the sales manager and his staff.

#### COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market infor-

mation affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The full budget estimate of \$1,398,000 is recommended for the next fiscal year, an increase of \$201,000 over the 1966 appropriation. The increase includes \$11,000 for pay act costs pursuant to Public Law 89-301, and \$190,000 for expanding trade practice investigations and market analyses.

The General Accounting Office recently reviewed the work of this agency and recommended that trade practice investigations be increased in number and frequency. Also, the steady increase in volume of market trading indicates the need for some expansion in this small agency, which has operated on a very limited budget through the years.

Since 1962, the number of transactions in regulated commodities increased 40 percent and the dollar value of trading more than 100 percent. The following table reflects the increase in trading volume during the past few years:

	Fiscal year 1962	Fiscal year 1964	Fiscal year 1965
Number of transactions for all regulated commodities (millions)-----	10.0	12.8	14.0
Dollar value of commodity trading (billions)-----	\$36.7	\$60.4	\$73.5

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133z). The Service carries on the following principal programs from appropriated funds:

Production adjustment programs: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Sugar act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers comply with certain labor, wage, price, and marketing requirements prescribed by law.



**Agricultural conservation program:** This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and (3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practices. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practices.

**Cropland conversion program:** Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

**Cropland adjustment program:** This program was authorized in the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the development and conservation of our soil, water, forest, wildlife, and recreational resources. The program will also establish, protect, and conserve open spaces and natural beauty and prevent air and water pollution.

**Emergency conservation measures:** The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

**Conservation reserve program:** The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage.

**Commodity Credit Corporation program activities:** Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.



Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; Bartered materials for supplemental stockpile; and National Wool Act.

*Expenses, Agricultural Stabilization and Conservation Service.—*

For the operating expenses of the various programs administered by this agency, the budget requested \$135,891,000 by direct appropriation and \$77,545,000 by transfer from the Commodity Credit Corporation, a total of \$213,436,000. The Committee recommends a total of \$202,361,600, including \$126,558,000 by direct appropriation and \$75,803,600 by transfer from C.C.C.

The appropriation recommended is \$279,500 above funds provided for FY 1966, and \$9,333,000 below the budget request. The C.C.C. transfer is \$11,691,400 less than authorized for FY 1966 and \$1,741,400 below the budget estimate. The combined reduction in the amounts proposed in the budget is \$11,074,400.

The appropriation included in the bill provides \$5,000,000 for expenses related to the cropland adjustment program. These funds provide for conducting sign-ups, processing requests and agreements, making farm visits, and related work of this new program. A reduction of \$8,266,140 has been made in funds transferred from C.C.C. for this purpose, as proposed in the budget. The net reduction is based on indications that sign-ups will be much slower than originally expected.

The Committee has approved further budget reductions for this agency based on reduced workload and increased productivity expected in the coming fiscal year. These reductions include \$4,580,500 of appropriated funds and \$3,425,260 of funds transferred from C.C.C., a total of \$8,005,760.

A reduction of \$140,000 has been made by the Committee to adjust for unauthorized transfers during FY 1966 to the Rural Community Development Service (\$65,000) and the National Advisory Commission on Food and Fiber (\$75,000). As indicated previously in this report, this adjustment is made since these funds were not used by this agency during the present fiscal year.

Employment and personnel practices followed during the past several years raise questions as to the operations of State and County ASC officers. A nation-wide reclassification of county office managers and certain other county office personnel made during the past two years has resulted in an inequitable situation in certain States. A review of the number of grade increases made indicates that no uniform guide rules were followed. In several States, only 2 positions were up-graded, while the number of office manager increases exceeded 30 in 7 States and totaled 59 in one instance.

While not under the Civil Service Classification System, these ASC county office people are considered regular Federal employees. They enjoy the fringe benefits provided to civil service personnel, including retirement, severance pay, annual and sick leave, insurance, and health protection. Their rates of pay and promotions should be handled in the same manner as for classified civil service personnel.

In view of the apparent inequities in county office reclassifications and other personnel actions, the Committee urges an immediate review of the personnel practices of this agency and expects appropriate corrective action to be taken during the coming year. It appears that perhaps some change in legislation affecting ASC county office personnel is warranted.

*Sugar Act program.*—The full budget estimate of \$80,000,000 is recommended for fiscal year 1967, a decrease of \$15,000,000 in funds provided for the current year. The reduction is due in part to available balances from the 1966 appropriation and in part to a somewhat small production expected from the 1966 crop.

Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–65, collections of \$2.3 billion from excise and import taxes have exceeded payments by \$545 million. Estimated collections through fiscal year 1967 of \$2.5 billion will exceed estimated payments by \$568 million.

*Agricultural conservation program.*—The full budget request for an appropriation of \$220,000,000 is included in the bill to make payments earned under the 1966 program authorized last year. Amounts due are legal commitments and funds must be provided to pay all contracts entered into under the program announced the previous year.

The Committee has restored the 1967 program authorization to the regular level of \$220,000,000—plus \$30,000,000 for administration under the appropriation for “Expenses, ASCS”. It should be noted that an offsetting reduction has been made in the 1967 program authorization for the cropland adjustment program.

Restoration of the ACP authorization will permit the continuation of the main support for our soil and water conservation effort throughout the Nation at present levels. It will restore funds for this purpose to the established level authorized by Congress in past years. It will prevent the elimination of essential funds needed for conservation practices in our small watershed development program. It will prevent the elimination of some 510 soil conservation technicians who are now engaged in soil and water conservation work throughout the Nation, including technical assistance in the planning and construction of Public Law 566 watershed and flood prevention projects.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and



Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

In the opinion of a majority of the members of the Committee, these conservation practices represent the best possible use of Federal funds in the preservation of our soil and water resources for future generations. In addition, they provide the best possible protection for the land upon which we must depend for our present and future food production. The many problems facing agriculture, such as increasing costs, decreasing farm labor, and increasing financial risks, make it apparent that this nation cannot afford to reduce its conservation efforts. The decreasing supplies of foods on hand, the rapidly expanding population, and the decreasing number of people on the farms, indicate that possible food shortages may face world consumers in the future, unless our agricultural production plant is protected from erosion and similar damages. With U.S. commitments in Vietnam and elsewhere throughout the world, we must continue to give adequate attention to our own natural resources to assure a firm source of supply of food and fiber to the growing populations of this country and the world.

Through the years, this approach to conservation of soil and water has proved its effectiveness. Its accomplishments demonstrate its value to the nation and strongly support its retention in preference to other more recently developed substitutes. A summary of the conservation accomplishments of this program follows:

Practice	Unit	Extent under 1964 program	Total accomplishments 1936-64
Water storage reservoirs constructed to distribute grazing, control erosion, and conserve irrigation water and wildlife.	1,000 structures....	64	1,874
Terraces constructed to control erosion or conserve water.	1,000 acres.....	597	28,069
Stripcropping systems established to control wind or water erosion and conserve water.	1,000 acres.....	412	112,190
Permanent sod waterways established to control erosion and safely dispose of excess runoff.	1,000 acres.....	37	848
Enduring vegetative cover established or improved to control erosion, conserve water, and for land-use adjustment.	1,000 acres.....	6,444	377,309
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control.	1,000 acres.....	1,665	49,983
Trees and shrubs planted for forestry purposes, erosion control, or land-use adjustment.	1,000 acres.....	205	4,039
Forest tree stands improved for forestry purposes and erosion control.	1,000 acres.....	157	3,151

*Appalachian region conservation program.*—An appropriation of \$2,200,000 is recommended for FY 1967. This is approximately one-half of the budget request. To the extent that additional funds may be needed, the regular national programs are also available to meet the needs in this area. The regular programs have proved themselves through the years and should be of as much value to this region as to any other in the nation.



*Cropland conversion program.*—The Food and Agriculture Act of 1962 authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 states, involving differing geographic and agricultural situations. In addition, offers have been made for a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 5,575 agreements involving 324 thousand acres of cropland have been entered into.

For the coming fiscal year, the bill includes \$7,500,000 for this program, the same amount as provided for FY 1966. Adequate financial support for the regular established conservation programs of the Department should obviate the need for increased funds for this special purpose.

*Cropland adjustment program.*—This new approach to conservation is authorized by Title VI of the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the development and conservation of soil, water, forest, wildlife, and recreational resources.

In return for diverting the cropland to approved uses, producers receive adjustment payments. They also are eligible to receive cost-sharing assistance for establishing approved conservation uses. The period of a contract cannot be less than 5 years and not more than 10 years.

An appropriation of \$125,000,000 is recommended in this bill for the coming fiscal year. This includes \$30,000,000 to repay the Commodity Credit Corporation for funds advanced in fiscal year 1966, and \$95,000,000 to finance the program during the 1967 fiscal year. The reduction of \$75,000,000 in the budget request is based on the fact that sign-ups are going slowly and present indications are that the program will not develop as fully as planned.

The program authorization for 1967 agreements for which payments are to be made in calendar year 1967 is approved at \$95,000,000, a reduction of \$120,000,000 in the budget request. A majority of the Committee feels that under present conditions policies of paying producers to take land out of production is at best unsound and has contributed to our present low inventories of certain basic commodities. They also feel that future demands for food and fiber will require the eventual abandonment of programs designed to restrict production in favor of those which will support the production and distribution of increased supplies of food and fiber to the hungry people of the world.

*Conservation reserve program.*—An appropriation of \$140,000,000 is provided for the next fiscal year. This is a reduction of \$6,000,000 below funds provided for this purpose last year. The decrease below last year is due to the expiration each year of a certain number of long-term contracts entered into under the old Soil Bank Program. Payments will continue through 1973 on a diminishing basis as follows:

Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)
1966	\$129,023,133	11,202,269
1969	114,548,394	9,547,417
1970	41,925,720	3,531,861
1971 <sup>1</sup>	822,604	71,275
1972 <sup>1</sup>	86,951	7,927
1973 <sup>1</sup>	8,362	704

<sup>1</sup> Represents mandatory extensions because tree seedlings were unavailable during 1960.

*Emergency conservation measures.*—This appropriation provides special funds for sharing the cost of emergency conservation measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act.

Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties. Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

The budget estimate of \$5,000,000 is proposed for the next fiscal year. This is a reduction in funds available for the current year; however, there is no way to forecast disasters in advance of their occurrence or the extent of damage which might result. With an appropriation of \$5,000,000, and estimated recoveries of about \$7,000,000 from prior obligations, funds totaling \$12,000,000 will be available for the fiscal year 1967 to restore damages following disasters.

#### RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service was established by the Secretary of Agriculture's Memorandum No. 1570 dated February 24, 1965, to provide leadership within the Department of Agriculture in formulating plans and evaluating operations pertaining to development of natural human resources in rural communities. It formulates plans for and evaluates operations performed by operating USDA agencies in conjunction with their regular programs.

This agency was originally created in 1963, with the consent of the Congress, to function as a small coordinating and expending unit of about 33 people with a budget of \$88,000. It was expanded to \$118,945 in 1964, \$181,872 in 1965 and \$625,000 in 1966. Shortly after it was established, 3 field offices were created. Last year it was proposed to expand it to 20 field offices. The request of \$3,468,000 for fiscal year 1967 contemplates 40 field offices and a total of 221 man-years in Washington and the field.

The Committee does not agree with the tremendous expansion in personnel proposed for this agency next year. As outlined earlier in this report, it feels that the existing agencies of the Department



which have established programs in operation, and which have the technical personnel and loan funds for use throughout rural America, are best equipped to provide needed assistance and guidance to rural areas through their existing field offices.

The Committee agrees that a small staff in the Washington office to coordinate and expedite rural programs may be worthwhile. An appropriation of \$637,000 is included for the Washington office of the Rural Community Development Service in fiscal year 1967. In addition, \$400,000 is provided to the Farmers Home Administration for rural area development work to be handled through its existing field organization.

As indicated earlier in this report, the Committee was surprised and disturbed to learn during the hearings that 36 employees had been recruited into positions created in various agencies of the Department and assigned to the Rural Community Development Service without notice or approval of the Congress.

#### OFFICE OF THE INSPECTOR GENERAL

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The bill includes \$11,254,000 for the next fiscal year for this purpose, a reduction of \$348,000 in the budget request. The recommended increase of \$641,000 over the 1966 appropriation includes \$141,000 for pay act costs pursuant to Public Law 89-301, and \$500,000 for increased audits and investigations of the Food Stamp Program and ASC county office activities. The Food Stamp Program has been expanding during fiscal years 1965 and 1966 and a further increase is provided for FY 1967. The financial integrity of this activity must be assured by thorough audits of its activities and by investigations and prosecutions of any abuses discovered. ASC county offices should also be checked periodically to assure the most effective conduct of the many programs administered by them throughout the country.

#### OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasijudicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts.



He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The Committee recommends the full budget request of \$4,325,000 for the next fiscal year. The increase of \$39,000 is provided to meet additional pay costs pursuant to Public Law 89-301.

#### OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art and graphics materials, and still photographic work for the Department and other Government agencies.

For this agency, the full budget estimate of \$1,826,000 is recommended for the coming fiscal year. The amount proposed includes the following increases: \$30,000 to reprint certain farmers bulletins for which there has been a large demand and for which supplies are exhausted; \$61,700 for increased information activities related to new and expanded activities in the Department; \$10,300 to bring together and file about 70,000 color slides for greater use of all Department agencies; and \$9,000 for pay costs pursuant to Public Law 89-301.

These increases are more than offset by a decrease of \$200,000 provided in the 1966 Supplemental Appropriation Act for reprinting the Agricultural Yearbook of 1965. This reprint has been completed and the amount is not proposed again for FY 1967.

This agency has been operating on a very limited budget in recent years and has failed to keep up with the growth of other programs of the Department. The results of expanded research and educational activities must be made available through this agency to be of value to the consumers and farm producers of the nation.

#### NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books \* \* \*." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

An appropriation of \$2,147,000 is included in the bill for library services in the coming fiscal year. This is an increase of \$412,000 in the 1966 appropriation and is \$354,000 less than requested. The increase includes \$200,000 to acquire, catalog and maintain publications used by scientists and other personnel throughout the Department. An increase of this nature is required to enable the Library to meet the needs of an ever-increasing research establishment within the Department.

An additional amount of \$200,000 is included to undertake a program of greater automation of the procedures used to provide information to researchers. It is proposed to further automate routine library functions such as ordering of publications, receiving and recordkeeping, cataloging, and circulation of information.

An increase of \$12,000 is provided for pay act costs pursuant to Public Law 89-301.

#### OFFICE OF MANAGEMENT SERVICES

The Office of Management Services provides consolidated management support services to certain agencies and offices of the Department. It was established by Secretary's Memorandum No. 1529, dated January 29, 1963, to provide greater economy and effectiveness in the rendering of management service through: improved utilization of manpower and management techniques; increased specialization of professional skills; and more extensive use of time-saving equipment.

The consolidated management support functions include budget and finance, personnel and related programs, administrative services, and information work. The organization structure of OMS is based upon these functions with operating divisions providing the services for the following agencies and offices: Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Office of Management Appraisal and Systems Development, Office of Personnel, Office of Plant and Operations, Rural Community Development Service, Office of Information, National Agricultural Library, Office of the General Counsel, Office of the Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, and Statistical Reporting Service.

The Committee recommends an appropriation of \$2,600,000 for these services in the coming fiscal year, a reduction of \$87,000 in the budget request. The increase of \$58,000 is provided to enable this office to meet the increased demands of the agencies which it serves, some of which will expand in FY 1967 on the basis of funds provided in this bill.



## GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems Development which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems designs, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 U.S.C. 1006, 1010). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The full budget estimate of \$3,959,000 is recommended for FY 1967 for these staff offices. The increase of \$31,000 over funds available in 1966 is approved for pay costs pursuant to Public Law 89-301.

## TITLE II—CREDIT AGENCIES

### RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.



Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

*Loan authorization.*—The 1967 budget proposes substantial reductions in the ceilings on loan funds for this agency. For rural electrification loans, the budget request cuts the amount from \$365,000,000 for FY 1966 to \$220,000,000 for FY 1967, a reduction of \$145,000,000. The reduction proposed for rural telephone loans is from the FY 1966 level of \$97,000,000 to \$85,000,000 for the next fiscal year, a reduction of \$12,000,000.

The Committee has restored the 1966 ceiling of \$365,000,000 for electrification loans, of which \$72,500,000 has been placed in a contingency reserve fund to enable REA to meet additional demands as needed. Also, it has approved \$97,000,000 for telephone loans, including a \$6,000,000 contingency reserve to meet the needs as they develop. The problems of today, with increasing shortages of farm labor, call for more electricity and telephone service, not less.

According to testimony presented by the REA Administrator, the requirements of the rural electrification systems are expected to increase  $2\frac{1}{2}$  times in the near future—from 47 billion kilowatt-hours in 1965 to an estimated 116 billion kilowatt-hours in 1980. This is in line with expanding needs for electricity by all segments of our population. Average monthly kilowatt-hour consumption by farm and rural consumers increased by nearly 100 kilowatt-hours in the past four years, to a present average of 456 kilowatt-hours per month. There are now 5.3 million consumers being served on REA lines.

With the current attention being given to the improvement of our rural economy through the development of small industries and other revenue producing enterprises in rural areas, it is essential that ample sources of power be assured to such areas. Opportunities of this nature are directly affected by the ready availability of electric power at reasonable costs. Electricity provides a vital key to better living and greater economic opportunities.

The 1967 budget contemplates a "dual financing plan" which would provide additional capital to REA borrowers from private sources at prevailing interest rates. It is understood that such a plan would likely apply to those REA cooperatives which could afford to meet the higher interest costs. It is also understood that 2% money would continue to be made available to those borrowers which could not meet the additional cost due to sparsely populated service areas or high operating costs. In this connection, it is important to realize that consumer density on REA lines is about 3.3 consumers to the mile as compared to 33 consumers per mile for the larger private utility companies.

The Committee is aware of the dual financing proposal and its possible effect on the need for REA loan funds for electrification purposes. It appears unlikely, however, that such a plan, even if adopted by Congress in this session, could be put into operation rapidly enough to provide any significant amount of loan funds during FY 1967.

The primary function of the Rural Electrification system is to provide and distribute electricity to rural and farm customers at reasonable rates. The construction of power generating facilities is a secondary function considered to be necessary to preserve the

bargaining position of REA Cooperatives in securing power at reasonable rates and under reasonable terms. The Administrator of REA is expected to observe these basic concepts in carrying out his responsibilities under the law. The Congress has always attempted to protect the bargaining power of the REA with respect to negotiation of power contracts with private utility companies, through the approval of adequate loan funds to provide REA-financed power generation facilities where alternative sources of power are not available on proper terms. It charges the Administrator with the responsibility, in turn, to make certain that every reasonable and practical effort is made to secure power from private sources prior to approving loans for new power generation construction.

The rural telephone program is growing rapidly and is doing an excellent job of making service available to rural people. The expanding demand from nearly 100,000 new subscribers annually, and the need for improving and upgrading service in rural areas, has caused a steady increase in the receipt of telephone loan applications. These have grown from \$78 million in 1963, to \$102 million in 1964, and to \$112 million in 1965. Applications on hand are expected to rise to \$157 million by June 30, 1966, and \$159 million of new applications are expected in FY 1967.

The Committee is cognizant of this increasing demand for telephone loans and is anxious to see this service provided to all who need it on a reasonable cost basis. In view of the present demands of the Federal budget, however, it has been unable to provide all funds needed to upgrade rural service as many would like. It will continue to look with favor on the expansion and improvement of rural telephone service as rapidly as our Federal financial position will permit.

*Salaries and expenses.*—For the administrative costs of these programs, the full budget estimate of \$12,202,000 is recommended for FY 1967. This is the same amount as provided for the current fiscal year.

#### FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farmownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made on the same basis as farmownership insured loans.

Makes direct operating loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm



supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes direct rural housing loans and grants for building purposes and insured rural housing loans pursuant to title V of the Housing Act of 1949, as amended, to farm owners, to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair, or replace dwellings and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farmowners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Loans are repayable in not more than 33 years and bear interest at 4 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes grants for the preparation of comprehensive plans for the development of water or sewer systems in rural areas pursuant to subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended. Grants for the preparation of comprehensive water and sewer plans may be made to public bodies such as counties, townships, planning commissions, and similar units of government, and such other agencies as may have authorization to prepare such official comprehensive plans. The amount of each such grant will be limited to the actual expenses for the preparation of the plan which are outside the normal budget of the recipient organization.

Makes grants for water and sewer development costs pursuant to subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended. Development grants are made to associations, including corporations operating on a non-profit basis, municipalities, and similar organizations, generally designated as public or quasi-public agencies, that propose projects for development, storage, reatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 50 percent of the development cost of the projects, and supplement other funds borrowed or furnished by applicants to pay



development costs. No loan or grants may be made which would cause the unpaid principal indebtedness of any association owed to the Farmers Home Administration, together with the amount of any assistance in the form of a grant, to exceed \$4,000,000 at any one time.

Makes insured loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5¼ percent.

Makes direct loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the Rural housing for the elderly revolving fund, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3¾ percent.

Provides technical assistance and makes direct loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization. Each project financed with loan funds will be an important component of an overall rural renewal plan developed to rebuild the economy of the designated area. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities. The area must also be one in which agriculture or forestry contribute substantially to the economy. Rural renewal loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at the average rate paid by the U.S. Treasury on obligations of similar maturity. The present rate is 3.137 percent. Loans in excess of \$250,000 require approval of the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate.

Makes insured farm labor housing loans pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. These loans, which are made with funds advanced by private lenders, are repayable in not more than 33 years. Otherwise, insured farm labor housing loans are subject to the same terms and limitations applicable to other types of insured loans, except that these loans are not limited to family farms or to any specific amount.

In fiscal year 1965, the Farmers Home Administration began to make direct resource conservation and development loans from funds appropriated to the Soil Conservation Service under "Resource con-

servation and development." Loans are made to local organizations and individuals for planned conservation measures and works of improvement as specified in approved work plans.

*Direct loan account.*—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farm ownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1966 it is estimated that this account will have a balance on hand of \$99,744,355. Estimated collections in fiscal year 1967 of \$333,942,000 will provide a total of \$433,686,335 for 1967 loan purposes.

From this amount, the bill includes loan authorizations of \$390,000,000 for FY 1967, including \$300,000,000 for farm operating loans, the same amount as approved for FY 1966 and the full budget estimate. It also provides \$90,000,000 for real estate loans, including \$5,000,000 for farm ownership loans, and \$85,000,000 for soil and water loans.

An increase of \$55,000,000 is included for soil and water loans, primarily for rural community water and sewer systems. Public Law 89-240 increases the single association loan limit to \$4,000,000 and permits loans for waste disposal facilities. This has greatly increased the demand for loans to public bodies, including both direct and insured loans in 1967 which will total \$83,000,000—an increase of \$20,000,000 above the total of such loans in 1966.

The amount provided for farm ownership loans is a reduction of \$40,000,000 in the 1966 authorization. In view of the increased authority available for insured loans, it is estimated that most of the demand for farm ownership loans in 1967 will be met through the use of the insured loans authorized by P.L. 89-240. It is estimated that direct and insured loans for this purpose in 1967 will total \$235,000,000, the same level expected for 1966.

No additional loan authorizations for land stabilization, conservation and erosion control practices in the Appalachian region are recommended. The Second Supplemental Appropriation Act, 1965 (approved April 30, 1965), provided an appropriation of \$7.1 million for this purpose. Due to the lateness of the appropriation and the fact that state programs of work were not yet approved, as required by the Appalachian Regional Development Act of 1965, no funds were used in 1965. Therefore, the full \$7.1 million is available for this purpose in fiscal years 1966 and 1967. In addition, the regular programs of the Department are also available in this region as in every other area of the United States.

*Rural water and waste disposal grants.*—This new program was established by subtitle A of the legislation adopted last session (P.L. 89-240) to provide grants for the development of water or sewer



systems in rural areas. The amount of the grant may not exceed 50 percent of the total cost of the project.

The full budget request of \$26,000,000 is recommended for the next fiscal year, an increase of \$6,000,000 over the amount provided in the Supplemental Appropriation Act of 1966 to initiate this program. During the present year, 531 communities have been assisted through these loans to date. It is estimated that there are a total of 30,000 rural communities without adequate water supplies.

*Rural housing direct loan account.*—Title X of Public Law 89-117 (Housing and Urban Development Act of 1965), approved August 10, 1965, amends title V of the Housing Act of 1949 to provide for the establishment of a Rural Housing Direct Loan Account. This amendment also authorizes the transfer to the Rural Housing Direct Loan Account of (1) all funds, claims, notes, mortgages, contracts, and property, and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the Act, and (2) all unexpended balances of appropriations for direct loans under title V, including funds authorized for direct elderly rental housing loans by section 515(a) of the Act.

During the 1965 fiscal year, a total of \$130,949,537 was obligated for building loans. Also, \$26,450 was obligated for enlargement and development loans, and \$1,120,390 was used for loans for rental housing for the elderly. Such obligations totaled \$132,096,377.

During the 1966 fiscal year, it is estimated that obligations for building loans will total \$60,450,000, and loans for rental housing for the elderly will total \$5,000,000. Such loan obligations total \$65,450,000. Most rural housing loans will be made on an insured basis under the new Rural Housing Insurance Fund.

It is estimated that as of June 30, 1966, this account will have a balance of \$105,393,359. Estimated collections of \$71,599,000 in FY 1967 will provide a total of \$176,992,359 for loan purposes in FY 1967.

The bill provides an authorization to use \$15,000,000 of this amount during the next fiscal year for rural housing loans covered by this account. This includes \$10,000,000 for building loans and \$5,000,000 for elderly rental housing loans which have been transferred to this fund as outlined above.

*Rural housing for domestic farm labor.*—This program is carried out under section 516 of the Housing Act of 1949, as amended, (Public Law 88-560). The program provides for sharing up to two-thirds of the total development cost of farm labor housing projects.

The full budget estimate of \$3,000,000 is included in the bill for the coming year. This is the same amount as appropriated for FY 1966. The Committee intends that such grants be limited to public non-profit organizations, and has retained language in the bill for this purpose.

*Rural renewal.*—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored



demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The full budget request of \$1,200,000 is recommended for FY 1967, the same amount as provided for FY 1966.

*Salaries and expenses.*—The Committee recommends an appropriation for the next fiscal year of \$51,057,000, an increase of \$1,396,000 over FY 1966 funds and a decrease of \$543,000 in the budget estimate. In addition, the Committee has restored language in the bill which authorizes the use of not to exceed \$500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

The amount approved includes an increase of \$500,000 for servicing additional loans under the various programs assigned to this agency. With the \$500,000 authorized for transfer, a total of \$1,000,000 will be available in the coming year for this purpose. The increase is approved (1) to provide real estate appraisal and engineering assistance, (2) to strengthen the county office staffs working directly with applicants for loans, (3) to meet the added cost of county committee expense involved in reviewing applications and certifying loans, and (4) to meet the other related administrative costs.

The sum of \$150,000 is included in the bill to administer the conservation loan program in Appalachia. In addition, \$400,000 is provided to cover pay costs pursuant to Public Law 89-301. A reduction of \$54,000 is recommended due to unauthorized transfers, as previously described, to the Rural Community Development Service (\$42,000) and the National Advisory Commission on Food and Fiber (\$12,000).

An additional \$400,000 is provided under this appropriation to enable this agency to handle community development projects in rural areas through its existing field offices. As outlined earlier in this report, the Committee feels that this agency is in the best position to carry out the Department's rural area development activities throughout rural America.

### TITLE III—CORPORATIONS (INCLUDING P.L. 480 AND OTHER FOREIGN ASSISTANCE PROGRAMS)

#### FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938 to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound

system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Committee recommends a total of \$12,492,000 for administrative and operating expenses during FY 1967, \$8,342,000 by direct appropriation and \$4,150,000 from premium income. This is an increase of \$300,000 over 1966 funds and a net decrease of \$54,000 in the budget estimate. It is proposed that one-half of the increase come from appropriated funds and one-half come from premium income.

The increase is provided to extend the program to 40 additional counties in FY 1967 and to expand the number of crops and the acreage insured as follows:

	1965	1966	1967
Counties.....	1,214	1,304	1,344
County programs.....	2,781	3,069	3,163
Crops insured.....	450,633	491,000	506,000
Insured acreage (in thousands).....	15,379	17,860	18,877

#### COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the Presi-

dent to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The budget is based on the following types of programs: price support, commodity export, storage facilities, foreign purchase, and special activities.

*Reimbursement for net realized losses.*—The Committee has included \$3,500,000,000 in the bill to restore capital impairment for fiscal years 1964 and 1965. Of this amount, \$507,834,256 covers the unreimbursed balance for FY 1964. The amount recommended is \$700,000,000 above the 1966 appropriation and will be more than adequate to finance the operations of the Commodity Credit Corporation in the coming fiscal year.

The proposed reduction of \$55,855,000 in the budget request is based on two principal factors. First, the latest information available indicates a probable reduction in production of certain feed grains, cotton, and dairy products which will reduce the price support demands upon the Corporation. Second, the Department has announced a program for the competitive sale of cotton as required by law for delivery in August. The Corporation now has in excess of \$1 billion of cotton on hand, plus outstanding loans of around \$800 million. This sales program should reduce stocks of CCC cotton and increase funds available from such sales to meet the general purposes of the Corporation.

*Limitation on administrative expenses.*—The budget request of \$34,300,000 is recommended for next year, a reduction of \$2,350,000 in funds authorized in FY 1966.

#### FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added



funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

Foreign assistance programs are currently being carried out pursuant to the following specific authorizations:

Public Law 480 (Agricultural Trade Development and Assistance Act—7 U.S.C 1701-1736):

Sales of surplus agricultural commodities for foreign currencies: Under title I of the act, surplus agricultural commodities are sold for foreign currencies. Within certain limitations, these currencies may then be used by the U.S. Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes.

Commodities disposed of for emergency famine relief to friendly peoples: Under title II, the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and to pay ocean freight charges for the shipment of donated commodities.

Long-term supply contracts: Under title IV the President is authorized to make agreements with friendly nations under which the United States could deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

Appropriations are authorized to reimburse the Corporation for its cost in carrying out these programs.

International Wheat Agreement (7 U.S.C. 1641-1642): The program provides an assured market for wheat to exporting countries at stable and equitable prices. The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price. A cash payment for this differential is made for flour.

Bartered materials for supplemental stockpile: Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred at the lower of cost or market value at the time of the transfer.

*Public Law 480.*—The bill carries the full budget request of \$1,617,000,000 for the next fiscal year, a net reduction of \$41,000,000 in funds appropriated for the current year. The amount recommended includes \$1,040,000,000 for Title I foreign currency sales, a reduction of \$104,000,000, \$200,000,000 for Title II donations, a

reduction of \$98,500,000, and \$377,000,000 for Title IV long-term credit sales, an increase of \$161,500,000.

The projected decrease of Title I sales of \$104,000,000 is due to two factors—lower support prices on wheat and cotton beginning with the 1966 crop—and a decrease in ocean transportation costs due to a change in the law which will require foreign countries to finance freight costs at foreign-flag rates for shipments in U.S. flag vessels. Previously, PL 480 appropriations financed the entire cost of shipments in U.S. ships.

The reduction of \$98,500,000 for Title II donations results from an expected reduction in the quantity of shipments of corn, wheat and dried milk to be made under this title in the coming fiscal year. Also, an unobligated balance of \$83,000,000 of 1966 funds will be available in FY 1967.

The increase of \$161,500,000 for long-term credit sales under Title IV is due to the fact that the FY 1966 appropriation is an estimated \$115,000,000 short of meeting obligations to be incurred under the basic legislation. This amount is added to the 1967 request.

*International Wheat Agreement.*—An appropriation of \$40,000,000 is recommended for the next fiscal year. This is an increase of \$12,456,000 over the 1966 appropriation and is a reduction of \$20,000,000 in the budget estimate. The full amount provided will be reimbursed to the Commodity Credit Corporation to cover prior year costs of this program. CCC will continue to finance this program under its commodity export authority, in the absence of the renewal of the International Wheat Agreement Act.

*Bartered materials for supplemental stockpile.*—No additional funds are included in the bill for this purpose. The Committee feels that the expected carryover of about \$28,000,000 of prior year balances should adequately finance this program in the coming fiscal year.

#### TITLE IV—RELATED AGENCIES

##### FARM CREDIT ADMINISTRATION

*Limitation on administrative expenses.*—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636b). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Recorganization Plan No. 1.

The Committee recommends the full budget request of \$3,032,000 for FY 1967, an increase of \$14,000 to cover pay costs pursuant to Public Law 89-301.

#### NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER

The National Advisory Commission on Food and Fiber was established by Executive Order 11256, dated November 4, 1965, to assist the President's Committee on Food and Fiber, established in the same Executive Order, to carry out its primary function of appraising existing and alternative agricultural policies and related foreign trade policies.

The Commission must submit its final report and recommendations to the Committee no later than 18 months after the date of its first meeting in January 1966, and must terminate within 90 days thereafter. It is anticipated that the Commission will make its final report and recommendations in July and terminate in October, 1967.

For the coming fiscal year, the bill includes \$350,000 for the expenses of this new Commission, a reduction of \$295,000 in the budget request. The amount recommended represents an actual increase of \$150,000 over the \$200,000 made available by unauthorized transfer to establish this group during the present fiscal year. As pointed out earlier in this report, the Committee does not favor transfers involving a diversion of funds without appropriate Congressional approval.

In view of the extensive study given to our food and fiber situation by various agencies of the Department through the years, and in view of the study of the food industry by the National Commission on Food Marketing during the past two years, the amount proposed for this additional study should be adequate.

#### TITLE V—GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1967 are essentially the same as those included in previous appropriation bills.

Section 501 authorizes the purchase of 421 passenger motor vehicles during fiscal year 1967. This will permit the replacement of vehicles which have reached the Federal replacement standard of 6 years or 60,000 miles.

No additional passenger vehicles are allowed for the coming fiscal year. Data from the Department indicates that it had a total of nearly 30,000 vehicles as of June 30, 1965, of which about 2600 were passenger cars and nearly 300 were station wagons and buses. Recent reports from the General Accounting Office indicate that additional vehicles are not needed.

In the interests of clarity, and pursuant to Committee policy announced last year, a new Section 507 has been added to the general provisions of this bill which provides that—

No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.



## LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 25, in connection with the Cropland Adjustment Program:

*Provided, that agreements entered into during the fiscal year 1967 shall not require payments during the calendar year 1967 exceeding \$95,000,000.*

On page 32, in connection with the Rural Housing Direct Loan Account:

*For direct loans and related advances pursuant to section 518(d) of the Housing Act of 1949 (79 Stat. 500), \$15,000,000 shall be available from funds in the rural housing direct loan account.*

PERMANENT APPROPRIATIONS

Item	Appropriations, 1966	Budget estimates, 1967	Budget estimates, 1967 compared with appropriations, 1966
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	\$405, 549, 361	\$445, 000, 000	+ \$39, 450, 639
Perishable Agricultural Commodities Act fund-----	927, 000	927, 000	-----
Total, Agricultural Marketing Service-----	406, 476, 361	445, 927, 000	+ 39, 450, 639
Agricultural Stabilization and Conservation Service: National Wool Act-----	22, 577, 216	37, 373, 000	+ 14, 795, 784
Total, permanent appropriations-----	429, 053, 577	483, 300, 000	+ 54, 246, 423

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1966 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1967

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	Recommended in bill for 1967	Bill compared with—	
				Appropriations, 1966	Estimates, 1967
TITLE I—GENERAL ACTIVITIES					
Agricultural Research Service:					
Salaries and expenses:					
Research-----	<sup>2</sup> \$125, 959, 000	<sup>2</sup> \$107, 980, 000	<sup>2</sup> \$120, 673, 000	—\$5, 286, 000	+ \$12, 693, 000
Plant and animal disease and pest control-----	75, 547, 000	69, 748, 000	76, 764, 000	+ 1, 217, 000	+ 7, 016, 000
Total-----	<sup>3</sup> 201, 506, 000	<sup>3</sup> 177, 728, 000	<sup>3</sup> 197, 437, 000	—4, 069, 000	+ 19, 709, 000
Salaries and expenses (special foreign currency program)-----	3, 000, 000	( <sup>4</sup> )	3, 000, 000	-----	+ 3, 000, 000
Total, Agricultural Research Service-----	204, 506, 000	177, 728, 000	200, 437, 000	—4, 069, 000	+ 22, 709, 000
Cooperative State Research Service:					
Payments and expenses-----	<sup>5</sup> 54, 827, 000	47, 740, 000	55, 227, 000	+ 400, 000	+ 7, 487, 000
Extension Service:					
Payments to States and Puerto Rico--	75, 600, 000	75, 917, 500	75, 917, 500	+ 317, 500	-----
Retirement costs for extension agents--	7, 857, 000	8, 139, 500	8, 139, 500	+ 282, 500	-----
Penalty mail-----	3, 113, 000	3, 113, 000	3, 113, 000	-----	-----



Federal Extension Service-----	2, 565, 000	3, 054, 000	2, 654, 000	+ 89, 000	- 400, 000
Total, Extension Service-----	89, 135, 000	90, 224, 000	89, 824, 000	+ 689, 000	- 400, 000
Farmer Cooperative Service-----	1, 167, 000	1, 175, 000	1, 175, 000	+ 8, 000	-----
Soil Conservation Service:					
Conservation operations-----	108, 802, 000	109, 020, 000	109, 235, 000	+ 433, 000	+ 215, 000
Watershed planning-----	5, 853, 000	6, 397, 000	6, 142, 000	+ 289, 000	- 255, 000
Watershed protection-----	66, 331, 000	66, 559, 000	67, 020, 000	+ 689, 000	+ 461, 000
Flood prevention-----	25, 571, 000	25, 654, 000	25, 654, 000	+ 83, 000	-----
Great Plains conservation program-----	16, 082, 000	16, 112, 000	16, 112, 000	+ 30, 000	-----
Resource conservation and develop- ment-----	4, 347, 000	4, 574, 000	4, 347, 000	-----	- 227, 000
Total, Soil Conservation Service-----	226, 986, 000	228, 316, 000	228, 510, 000	+ 1, 524, 000	+ 194, 000
Economic Research Service:					
Salaries and expenses-----	11, 782, 000	12, 547, 000	12, 032, 000	+ 250, 000	- 515, 000
Statistical Reporting Service:					
Salaries and expenses-----	14, 067, 000	13, 434, 000	13, 272, 000	- 795, 000	- 162, 000
Consumer and Marketing Service:					
Consumer protective, marketing, and regulatory programs-----	77, 654, 000	83, 661, 000	82, 757, 000	+ 5, 103, 000	- 904, 000
Payments to States and possessions-----	1, 750, 000	1, 750, 000	1, 750, 000	-----	-----

See footnotes at end of table, p. 67.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1966 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1967—Continued

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	Recommended in bill for 1967	Bill compared with—	
				Appropriations, 1966	Estimates, 1967
TITLE I—GENERAL ACTIVITIES— Continued					
Consumer and Marketing Service—Con.					
Special milk program-----	\$103, 000, 000	\$21, 000, 000	<sup>6</sup> \$50, 000, 000	—\$53, 000, 000	+ \$29, 000, 000
School lunch program-----	<sup>7</sup> 157, 000, 000	<sup>7</sup> 138, 000, 000	<sup>7</sup> 157, 000, 000	-----	+ 19, 000, 000
Food stamp program-----	<sup>8</sup> 79, 992, 000	( <sup>9</sup> )	( <sup>9</sup> )	—79, 992, 000	-----
Total, Consumer and Marketing Service-----	419, 396, 000	244, 411, 000	291, 507, 000	—127, 889, 000	+ 47, 096, 000
Foreign Agricultural Service:					
Salaries and expenses-----	<sup>10</sup> 20, 752, 000	<sup>10</sup> 21, 379, 000	<sup>10</sup> 21, 088, 000	+ 336, 000	—291, 000
Commodity Exchange Authority-----	1, 197, 000	1, 398, 000	1, 398, 000	+ 201, 000	-----
Agricultural Stabilization and Conserva- tion Service:					
Expenses, Agricultural Stabilization and Conservation Service-----	<sup>11</sup> 126, 278, 500	<sup>12</sup> 135, 891, 000	<sup>12</sup> 126, 558, 000	+ 279, 500	—9, 333, 000
Sugar Act program-----	95, 000, 000	80, 000, 000	80, 000, 000	—15, 000, 000	-----
Agricultural conservation program-----	220, 000, 000	220, 000, 000	220, 000, 000	-----	-----

Appalachian region conservation program-----		4, 375, 000	2, 200, 000	+2, 200, 000	-2, 175, 000
Cropland conversion program-----	7, 500, 000	10, 000, 000	7, 500, 000	-----	-2, 500, 000
Cropland adjustment program-----		200, 000, 000	125, 000, 000	+125, 000, 000	-75, 000, 000
Conservation reserve program-----	146, 000, 000	143, 000, 000	140, 000, 000	-6, 000, 000	-3, 000, 000
Emergency conservation measures-----	24, 000, 000	5, 000, 000	5, 000, 000	-19, 000, 000	-----
Total, Agricultural Stabilization and Conservation Service-----	618, 778, 500	798, 266, 000	706, 258, 000	+87, 479, 500	-92, 008, 000
Rural Community Development Service-----	637, 000	3, 468, 000	637, 000	0	-2, 831, 000
Office of Inspector General-----	10, 613, 000	11, 602, 000	11, 254, 000	+641, 000	-348, 000
Packers and Stockyards Act-----	2, 400, 000	2, 604, 000	2, 400, 000	0	-204, 000
Office of General Counsel-----	4, 286, 000	4, 325, 000	4, 325, 000	+39, 000	-----
Office of Information-----	1, 915, 000	1, 826, 000	1, 826, 000	-89, 000	-----
National Agricultural Library:					
Salaries and expenses-----	1, 735, 000	2, 501, 000	2, 147, 000	+412, 000	-354, 000
Library facilities-----	7, 000, 000	-----	-----	-7, 000, 000	-----
Office of Management Services-----	2, 542, 000	2, 687, 000	2, 600, 000	+58, 000	-87, 000
General administration-----	3, 928, 000	3, 959, 000	3, 959, 000	+31, 000	-----
Total, title I, general activities-----	1, 697, 649, 500	1, 669, 590, 000	1, 649, 876, 000	-47, 773, 500	-19, 714, 000

See footnotes at end of table, p. 67.



COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1966 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1967—Continued

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	Recommended in bill for 1967	Bill compared with—	
				Appropriations, 1966	Estimates, 1967
TITLE II—CREDIT AGENCIES					
Rural Electrification Administration:					
Loan authorizations:					
Electrification-----	<sup>13</sup> (\$365, 000, 000)	(\$220, 000, 000)	<sup>14</sup> (\$365, 000, 000)	-----	<sup>14</sup> (+ \$145, 000, 000)
Telephone-----	<sup>15</sup> (97, 000, 000)	(85, 000, 000)	<sup>16</sup> (97, 000, 000)	-----	<sup>16</sup> (+ 12, 000, 000)
Total, loan authorizations-----	(462, 000, 000)	(305, 000, 000)	(462, 000, 000)	-----	(+ 157, 000, 000)
Salaries and expenses-----	12, 202, 000	12, 202, 000	12, 202, 000	-----	-----
Total, Rural Electrification Admin- istration-----	12, 202, 000	12, 202, 000	12, 202, 000	-----	-----
Farmers Home Administration:					
Direct loan account:					
Real estate loans-----	(75, 000, 000)	<sup>17</sup> (97, 100, 000)	(90, 000, 000)	(+ \$15, 000, 000)	(- 7, 100, 000)
Operating loans-----	<sup>18</sup> (300, 000, 000)	<sup>18</sup> (300, 000, 000)	<sup>18</sup> (300, 000, 000)	-----	-----
Total, direct loan account-----	(375, 000, 000)	(397, 100, 000)	(390, 000, 000)	(+ 15, 000, 000)	(- 7, 100, 000)
Rural water and waste disposal grants-----	20, 000, 000	26, 000, 000	26, 000, 000	+ 6, 000, 000	-----
Rural housing direct loan account-----	2, 500, 000	( <sup>19</sup> )	( <sup>19</sup> )	- 2, 500, 000	-----

Rural housing insurance fund-----	100, 000, 000	-----	-----	-----	-----
Rural housing grants-----	-----	4, 000, 000	-----	-----	-4, 000, 000
Rural housing for domestic farm labor-----	3, 000, 000	3, 000, 000	-----	-----	-----
Rural renewal-----	1, 200, 000	1, 200, 000	-----	-----	-----
Salaries and expenses-----	<sup>20</sup> 49, 661, 000	51, 600, 000	<sup>20</sup> 51, 057, 000	+1, 396, 000	-543, 000
Total, Farmers Home Administration-----	176, 361, 000	85, 800, 000	81, 257, 000	-95, 104, 000	-4, 543, 000
Total, title II, credit agencies:					
Loan authorizations-----	(837, 000, 000)	(702, 100, 000)	(852, 000, 000)	(+15, 000, 000)	(+149, 900, 000)
Direct appropriation-----	188, 563, 000	98, 002, 000	93, 459, 000	-95, 104, 000	-4, 543, 000
TITLE III--CORPORATIONS					
Federal Crop Insurance Corporation:					
Administrative and operating expenses:					
Appropriation-----	8, 192, 000	8, 546, 000	8, 342, 000	+150, 000	-204, 000
Premium income-----	(4, 000, 000)	(4, 000, 000)	(4, 150, 000)	(+150, 000)	(+150, 000)
Commodity Credit Corporation:					
Reimbursement for net realized losses-----	2, 800, 000, 000	3, 555, 855, 000	3, 500, 000, 000	+700, 000, 000	-55, 855, 000
Limitation on administrative expenses-----	(36, 650, 000)	(34, 300, 000)	(34, 300, 000)	(-2, 350, 000)	-----
Public Law 480-----	1, 658, 000, 000	1, 617, 000, 000	1, 617, 000, 000	-41, 000, 000	-----

See footnotes at end of table, p. 67.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1966 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1967—Continued

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	Recommended in bill for 1967	Bill compared with—	
				Appropriations, 1966	Estimates, 1967
TITLE III—CORPORATIONS—Con.					
International Wheat Agreement-----	\$27, 544, 000	\$60, 000, 000	\$40, 000, 000	+\$12, 456, 000	—\$20, 000, 000
Bartered materials for supplemental stock- pile-----	-----	13, 000, 000	-----	-----	—13, 000, 000
Total, title III, corporations-----	4, 493, 736, 000	5, 254, 401, 000	5, 165, 342, 000	+ 671, 606, 000	—89, 059, 000
TITLE IV—RELATED AGENCIES					
Farm Credit Administration:					
Limitation on administrative expenses--	(3, 018, 000)	(3, 032, 000)	(3, 032, 000)	(+ 14, 000)	-----
National Commission on Food Marketing--	1, 500, 000	-----	-----	—1, 500, 000	-----
National Advisory Commission on Food and Fiber-----	-----	645, 000	350, 000	+ 350, 000	—295, 000
Total, title IV, related agencies-----	1, 500, 000	645, 000	350, 000	—1, 150, 000	—295, 000
<i>Total appropriations:</i>					
Title I—General activities-----	\$1, 697, 649, 500	\$1, 669, 590, 000	\$1, 649, 876, 000	—\$47, 773, 500	—\$19, 714, 000
Title II—Credit agencies-----	188, 563, 000	98, 002, 000	93, 459, 000	—95, 104, 000	—4, 543, 000
Title III—Corporations-----	4, 493, 736, 000	5, 254, 401, 000	5, 165, 342, 000	+ 671, 606, 000	—89, 059, 000



Title IV—Related agencies-----	1, 500, 000	645, 000	300, 000	-1, 150, 000	-295, 000
Grand total-----	6, 381, 448, 500	7, 022, 638, 000	6, 909, 027, 000	+ 527, 578, 500	- 113, 611, 000

- <sup>1</sup> Includes pay supplemental, 1966.
- <sup>2</sup> In addition, a transfer and merger of \$18,100,000 from sec. 32 funds was authorized in 1966. Transfer of \$25,000,000 from sec. 32 funds requested and approved for 1967.
- <sup>3</sup> In addition, reappropriation of \$2,000,000 proposed and approved for special fund.
- <sup>4</sup> Proposed deletion of dollar appropriation and insertion of language to authorize use of specific foreign currencies (\$23,788,000 equivalent).
- <sup>5</sup> In addition, \$400,000 transferred from sec. 32 funds.
- <sup>6</sup> In addition, \$53,000,000 transfer from sec. 32 funds authorized.
- <sup>7</sup> In addition, \$45,000,000 transfer from sec. 32 funds provided.
- <sup>8</sup> In addition, a reappropriation of \$20,000,000 of prior year funds authorized.
- <sup>9</sup> 1967 budget proposal to transfer \$150,000,000 from sec. 32 funds approved.
- <sup>10</sup> In addition, transfer of \$3,117,000 from sec. 32 funds requested and approved.
- <sup>11</sup> In addition, transfer of \$87,495,000 from CCC fund authorized.
- <sup>12</sup> In addition, transfer of \$77,545,000 from CCC fund requested and \$75,803,600 approved.
- <sup>13</sup> Includes \$60,000,000 reserve authorization.
- <sup>14</sup> Includes \$72,500,000 reserve authorization.
- <sup>15</sup> Includes \$15,000,000 reserve authorization.
- <sup>16</sup> Includes \$6,000,000 reserve authorization.
- <sup>17</sup> Includes estimate of \$7,100,000 for soil and water loans for Appalachia.
- <sup>18</sup> Includes \$50,000,000 reserve authorization.
- <sup>19</sup> Authorization of \$15,000,000 to be used from funds deposited in the rural housing direct loan account approved.
- <sup>20</sup> In addition, not to exceed \$500,000 of the funds the various programs administered by this agency may be transferred to this appropriation for temporary field employment

○



Union Calendar No. 627

89TH CONGRESS  
2D SESSION

# H. R. 14596

[Report No. 1446]

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1966

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the Depart-  
5       ment of Agriculture and related agencies for the fiscal  
6       year ending June 30, 1967, and for other purposes; namely:



## DEPARTMENT OF AGRICULTURE

## TITLE I—GENERAL ACTIVITIES

## AGRICULTURAL RESEARCH SERVICE

## SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$20,000, except for six buildings to be constructed or improved at a cost not to exceed

1 \$45,000 each, and the cost of altering any one building  
2 during the fiscal year shall not exceed \$7,500 or 7.5 per  
3 centum of the cost of the building, whichever is greater:

4 *Provided further*, That the limitations on alterations con-  
5 tained in this Act shall not apply to a total of \$100,000  
6 for facilities at Beltsville, Maryland:

7       Research: For research and demonstrations on the pro-  
8 duction and utilization of agricultural products; agricultural  
9 marketing and distribution, not otherwise provided for; home  
10 economics or nutrition and consumer use of agricultural and  
11 associated products; and related research and services; and  
12 for acquisition of land by donation, exchange, or purchase at  
13 a nominal cost not to exceed \$100; \$120,673,000, and in  
14 addition not to exceed \$25,000,000 from funds available  
15 under section 32 of the Act of August 24, 1935, pursuant to  
16 Public Law 88-250 shall be transferred to and merged with  
17 this appropriation, of which \$10,619,000 shall remain avail-  
18 able until expended for construction and improvement of  
19 facilities without regard to limitations contained herein, and  
20 \$5,401,300 shall be used to continue research activities  
21 scheduled for reduction or elimination in fiscal years 1966  
22 and 1967: *Provided*, That the limitations contained herein  
23 shall not apply to replacement of buildings needed to carry  
24 out the Act of April 24, 1948 (21 U.S.C. 113a) ;

1        Plant and animal disease and pest control: For opera-  
2        tions and measures, not otherwise provided for, to control  
3        and eradicate pests and plant and animal diseases and for  
4        carrying out assigned inspection, quarantine, and regulatory  
5        activities, as authorized by law, including expenses pursuant  
6        to the Act of February 28, 1947, as amended (21 U.S.C.  
7        114b-c) , \$76,764,000 of which \$1,500,000 shall be appor-  
8        tioned for use pursuant to section 3679 of the Revised  
9        Statutes, as amended, for the control of outbreaks of insects  
10       and plant diseases to the extent necessary to meet emer-  
11       gency conditions: *Provided*, That no funds shall be used to  
12       formulate or administer a brucellosis eradication program  
13       for the current fiscal year that does not require minimum  
14       matching by any State of at least 40 per centum: *Pro-*  
15       *vided further*, That, in addition, in emergencies which  
16       threaten the livestock or poultry industries of the coun-  
17       try, the Secretary may transfer from other appropriations  
18       or funds available to the agencies or corporations of  
19       the Department such sums as he may deem necessary,  
20       to be available only in such emergencies for the arrest and  
21       eradication of foot-and-mouth disease, rinderpest, contagious  
22       pleuropneumonia, or other contagious or infectious diseases  
23       of animals, or European fowl pest and similar diseases in



1 poultry, and for expenses in accordance with the Act of  
2 February 28, 1947, as amended, and any unexpended bal-  
3 ances of funds transferred under this head in the next pre-  
4 ceding fiscal year shall be merged with such transferred  
5 amounts;

6 Special fund: To provide for additional labor, sub-  
7 professional and junior scientific help to be employed under  
8 contracts and cooperative agreements to strengthen the work  
9 at research installations in the field, not more than  
10 \$2,000,000 of the amount appropriated under this head for  
11 the previous fiscal year may be used by the Administrator  
12 of the Agricultural Research Service in departmental re-  
13 search programs in the current fiscal year, the amount so  
14 used to be transferred to and merged with the appropria-  
15 tion otherwise available under "Salaries and expenses, Re-  
16 search".

17 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY  
18 PROGRAM)

19 For payments, in foreign currencies owed to or owned  
20 by the United States for market development research au-  
21 thorized by section 104 (a) and for agricultural and forestry  
22 research and other functions related thereto authorized by  
23 section 104 (k) of the Agricultural Trade Development and

1 Assistance Act of 1954, as amended (7 U.S.C. 1704 (a)  
2 (k) ), to remain available until expended, \$3,000,000:  
3 *Provided*, That this appropriation shall be available in addi-  
4 tion to other appropriations for these purposes, for payments  
5 in the foregoing currencies: *Provided further*, That funds  
6 appropriated herein shall be used for payments in such  
7 foreign currencies as the Department determines are needed  
8 and can be used most effectively to carry out the purposes  
9 of this paragraph: *Provided further*, That not to exceed  
10 \$25,000 of this appropriation shall be available for payments  
11 in foreign currencies for expenses of employment pursuant  
12 to the second sentence of section 706 (a) of the Organic  
13 Act of 1944 (5 U.S.C. 574) , as amended by section 15 of  
14 the Act of August 2, 1946 (5 U.S.C. 55a) .

15 COOPERATIVE STATE RESEARCH SERVICE

16 PAYMENTS AND EXPENSES

17 For payments to agricultural experiment stations, for  
18 grants for cooperative forestry and other research, for facil-  
19 ities, and for other expenses, including \$48,113,000, to  
20 carry into effect the provisions of the Hatch Act, approved  
21 March 2, 1887, as amended by the Act approved August 11,  
22 1955 (7 U.S.C. 361a-361i) , including administration by  
23 the United States Department of Agriculture; \$2,500,000

1 for grants for cooperative forestry research under the Act  
2 approved October 10, 1962 (16 U.S.C. 582a—582a-7) ;  
3 \$2,000,000 in addition to funds otherwise available for con-  
4 tracts and grants for scientific research under the Act of  
5 August 4, 1965 (79 Stat. 431) ; \$2,000,000 for grants for  
6 facilities under the Act approved July 22, 1963 (77 Stat.  
7 90) ; \$310,000 for penalty mail costs of agricultural experi-  
8 ment stations under section 6 of the Hatch Act of 1887, as  
9 amended; and \$304,000 for necessary expenses of the Co-  
10 operative State Research Service, including administration  
11 of payments to State agricultural experiment stations, funds  
12 for employment pursuant to the second sentence of section  
13 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and  
14 not to exceed \$50,000 for employment under section 15 of  
15 the Act of August 2, 1946 (5 U.S.C. 55a) ; in all,  
16 \$55,227,000.

## 17 EXTENSION SERVICE

### 18 COOPERATIVE EXTENSION WORK, PAYMENTS AND

### 19 EXPENSES

20 Payments to States and Puerto Rico: For payments for  
21 cooperative agricultural extension work under the Smith-  
22 Lever Act, as amended by the Act of June 26, 1953, the  
23 Act of August 11, 1955, and the Act of October 5, 1962 (7



1 U.S.C. 341-349), to be distributed under sections 3 (b)  
2 and 3 (c) of the Act, \$74,347,500; and payments and con-  
3 tracts for such work under section 204 (b)-205 of the Agri-  
4 cultural Marketing Act of 1946 (7 U.S.C. 1623-1624),  
5 \$1,570,000; in all, \$75,917,500: *Provided*, That funds  
6 hereby appropriated pursuant to section 3 (c) of the Act of  
7 June 26, 1953, shall not be paid to any State or Puerto Rico  
8 prior to availability of an equal sum from non-Federal sources  
9 for expenditure during the current fiscal year.

10 Retirement and Employees' Compensation costs for ex-  
11 tension agents: For cost of employer's share of Federal re-  
12 tirement and for reimbursement for benefits paid from the  
13 Employees' Compensation Fund for cooperative extension  
14 employees, \$8,139,500.

15 Penalty mail: For costs of penalty mail for cooperative  
16 extension agents and State extension directors, \$3,113,000.

17 Federal Extension Service: For administration of the  
18 Smith-Lever Act, as amended by the Act of June 26, 1953,  
19 the Act of August 11, 1955, and the Act of October 5, 1962  
20 (7 U.S.C. 341-349), and extension aspects of the Agricul-  
21 tural Marketing Act of 1946 (7 U.S.C. 1621-1627), and  
22 to coordinate and provide program leadership for the exten-

1 sion work of the Department and the several States and  
2 insular possessions, \$2,654,000.

3 FARMER COOPERATIVE SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses to carry out the Act of July 2,  
6 1926 (7 U.S.C. 451-457), and for conducting research re-  
7 lating to the economic and marketing aspects of farmer co-  
8 operatives, as authorized by the Agricultural Marketing  
9 Act of 1946 (7 U.S.C. 1621-1627), \$1,175,000.

10 SOIL CONSERVATION SERVICE

11 CONSERVATION OPERATIONS

12 For necessary expenses for carrying out the provisions  
13 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-  
14 cluding preparation of conservation plans and establishment  
15 of measures to conserve soil and water (including farm  
16 irrigation and land drainage and such special measures as  
17 may be necessary to prevent floods and the siltation of reser-  
18 voirs) ; operation of conservation nurseries; classification and  
19 mapping of soil; dissemination of information; purchase and  
20 erection or alteration of permanent buildings; and operation  
21 and maintenance of aircraft, \$109,235,000: *Provided, That*

1 the cost of any permanent building purchased, erected, or  
2 as improved, exclusive of the cost of constructing a water  
3 supply or sanitary system and connecting the same to any  
4 such building and with the exception of buildings acquired  
5 in conjunction with land being purchased for other purposes,  
6 shall not exceed \$2,500, except for one building to be con-  
7 structed at a cost not to exceed \$25,000 and eight buildings  
8 to be constructed or improved at a cost not to exceed  
9 \$15,000 per building and except that alterations or im-  
10 provements to other existing permanent buildings costing  
11 \$2,500 or more may be made in any fiscal year in an  
12 amount not to exceed \$500 per building: *Provided further,*  
13 That no part of this appropriation shall be available for the  
14 construction of any such building on land not owned by the  
15 Government: *Provided further,* That no part of this appro-  
16 priation may be expended for soil and water conservation  
17 operations under the Act of April 27, 1935 (16 U.S.C.  
18 590a-590f) in demonstration projects: *Provided further,*  
19 That this appropriation shall be available for field employ-  
20 ment pursuant to the second sentence of section 706 (a) of  
21 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
22 \$5,000 shall be available for employment under section 15  
23 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*  
24 *further,* That qualified local engineers may be temporarily



1 employed at per diem rates to perform the technical plan-  
2 ning work of the service.

### 3 WATERSHED PLANNING

4 For necessary expenses for small watershed investiga-  
5 tions and planning, in accordance with the Watershed Pro-  
6 tection and Flood Prevention Act, as amended (16 U.S.C.  
7 1001-1008), to remain available until expended, \$6,142,-  
8 000, with which shall be merged the unexpended balances  
9 of funds heretofore appropriated under this head: *Provided*,  
10 That this appropriation shall be available for field employ-  
11 ment pursuant to the second sentence of section 706 (a)  
12 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
13 exceed \$50,000 shall be available for employment under  
14 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

### 15 WATERSHED PROTECTION

16 For necessary expenses to conduct river basin surveys  
17 and investigations, and research, and to carry out preventive  
18 measures, including, but not limited to, engineering opera-  
19 tions, methods of cultivation, the growing of vegetation, and  
20 changes in use of land, in accordance with the Watershed  
21 Protection and Flood Prevention Act, approved August 4,  
22 1954, as amended (16 U.S.C. 1001-1008), and the pro-  
23 visions of the Act of April 27, 1935 (16 U.S.C. 590a-f),  
24 to remain available until expended, \$67,020,000, with which

1 shall be merged the unexpended balances of funds heretofore  
2 appropriated or transferred to the Department for watershed  
3 protection purposes: *Provided*, That this appropriation shall  
4 be available for field employment pursuant to the second sen-  
5 tence of section 706 (a) of the Organic Act of 1944 (5  
6 U.S.C. 574), and not to exceed \$100,000 shall be available  
7 for employment under section 15 of the Act of August 2,  
8 1946 (5 U.S.C. 55a) : *Provided further*, That not to exceed  
9 \$5,000,000, together with the unobligated balance of funds  
10 previously appropriated for loans and related expense, shall  
11 be available for such purposes.

#### 12 FLOOD PREVENTION

13 For necessary expenses, in accordance with the Flood  
14 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,  
15 16 U.S.C. 1006a), as amended and supplemented, and in  
16 accordance with the provisions of laws relating to the activi-  
17 ties of the Department, to perform works of improvement,  
18 including funds for field employment pursuant to the second  
19 sentence of section 706 (a) of the Organic Act of 1944 (5  
20 U.S.C. 574), and not to exceed \$100,000 for employment  
21 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
22 55a), to remain available until expended; \$25,654,000,  
23 with which shall be merged the unexpended balances of  
24 funds heretofore appropriated or transferred to the Depart-

1 ment for flood prevention purposes: *Provided*, That not to  
2 exceed \$200,000, together with the unobligated balance of  
3 funds previously appropriated for loans and related expense,  
4 shall be available for such purposes.

5 GREAT PLAINS CONSERVATION PROGRAM

6 For necessary expenses to carry into effect a program of  
7 conservation in the Great Plains area, pursuant to section  
8 16 (b) of the Soil Conservation and Domestic Allotment  
9 Act, as added by the Act of August 7, 1956 (16 U.S.C.  
10 590p), \$16,112,000, to remain available until expended.

11 RESOURCE CONSERVATION AND DEVELOPMENT

12 For necessary expenses in planning and carrying out  
13 projects for resource conservation and development, and for  
14 sound land use, pursuant to the provisions of section 32 (e)  
15 of title III of the Bankhead-Jones Farm Tenant Act, as  
16 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions  
17 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$4,-  
18 347,000, to remain available until expended: *Provided*, That  
19 not to exceed \$500,000 of such amount shall be available  
20 for loans and related expenses under subtitle A of the Con-  
21 solidated Farmers Home Administration Act of 1961, as  
22 amended: *Provided further*, That this appropriation shall  
23 be available for field employment pursuant to the second  
24 sentence of section 706 (a) of the Organic Act of 1944 (5



1 U.S.C. 574), and not to exceed \$50,000 shall be available  
2 for employment under section 15 of the Act of August 2,  
3 1946 (5 U.S.C. 55a).

#### 4 ECONOMIC RESEARCH SERVICE

##### 5 SALARIES AND EXPENSES

6 For necessary expenses of the Economic Research  
7 Service in conducting economic research and service relating  
8 to agricultural production, marketing, and distribution, as  
9 authorized by the Agricultural Marketing Act of 1946 (7  
10 U.S.C. 1621-1627), and other laws, including economics  
11 of marketing; analyses relating to farm prices, income and  
12 population, and demand for farm products, use of resources  
13 in agriculture, adjustments, costs and returns in farming, and  
14 farm finance; and for analyses of supply and demand for  
15 farm products in foreign countries and their effect on pros-  
16 pects for United States exports, progress in economic de-  
17 velopment and its relation to sales of farm products, assembly  
18 and analysis of agricultural trade statistics and analysis of  
19 international financial and monetary programs and policies  
20 as they affect the competitive position of United States farm  
21 products; \$12,032,000: *Provided*, That not less than  
22 \$350,000 of the funds contained in this appropria-  
23 tion shall be available to continue to gather statistics and  
24 conduct a special study on the price spread between the

1 farmer and consumer: *Provided further*, That this appro-  
2 priation shall be available for employment pursuant to the  
3 second sentence of section 706 (a) of the Organic Act of  
4 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be  
5 available for employment under section 15 of the Act of  
6 August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That  
7 not less than \$145,000 of the funds contained in this appro-  
8 priation shall be available for analysis of statistics and related  
9 facts on foreign production and full and complete information  
10 on methods used by other countries to move farm commod-  
11 ities in world trade on a competitive basis.

#### 12 STATISTICAL REPORTING SERVICE

##### 13 SALARIES AND EXPENSES

14 For necessary expenses of the Statistical Reporting  
15 Service in conducting statistical reporting and service  
16 work, including crop and livestock estimates, statistical co-  
17 ordination and improvements, and marketing surveys, as  
18 authorized by the Agricultural Marketing Act of 1946 (7  
19 U.S.C. 1621-1627) and other laws, \$13,272,000: *Pro-*  
20 *vided*, That no part of the funds herein appropriated shall  
21 be available for any expense incident to publishing esti-  
22 mates of apple production for other than the commercial  
23 crop: *Provided further*, That this appropriation shall be

1 available for employment pursuant to the second sentence of  
2 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),  
3 and not to exceed \$40,000 shall be available for employment  
4 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
5 55a).

## 6 CONSUMER AND MARKETING SERVICE

### 7 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY 8 PROGRAMS

9 For expenses necessary to carry on services related to  
10 consumer protection, agricultural marketing and distribution,  
11 and regulatory programs, other than Packers and Stockyards  
12 Act, as authorized by law, and for administration and co-  
13 ordination of payments to States; including field employment  
14 pursuant to section 706 (a) of the Organic Act of 1944 (5  
15 U.S.C. 574), and not to exceed \$25,000 for employment  
16 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
17 55a), in carrying out section 201 (a) to 201 (d), inclusive,  
18 of title II of the Agricultural Adjustment Act of 1938 (7  
19 U.S.C. 1291) and section 203 (j) of the Agricultural Mar-  
20 keting Act of 1946; \$82,757,000.



## 1            PAYMENTS TO STATES AND POSSESSIONS

2        For payments to departments of agriculture, bureaus and  
3 departments of markets, and similar agencies for marketing  
4 activities under section 204 (b) of the Agricultural Market-  
5 ing Act of 1946 (7 U.S.C. 1623 (b) ), \$1,750,000.

## 6            SPECIAL MILK PROGRAM

7        For necessary expenses to carry out the Special Milk  
8 Program, as authorized by the Act of August 8, 1961 (7  
9 U.S.C. 1446, note), \$50,000,000, and in addition \$53,-  
10 000,000 shall be transferred from funds available under  
11 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),  
12 and merged with this appropriation.

## 13           SCHOOL LUNCH PROGRAM

14       For necessary expenses to carry out the provisions of  
15 the National School Lunch Act, as amended (42 U.S.C.  
16 1751-1760), \$157,000,000, including \$2,000,000 for spe-  
17 cial assistance to needy schools, as authorized by law: *Pro-*  
18 *vided*, That no part of this appropriation shall be used for  
19 nonfood assistance under section 5 of said Act: *Provided*

1 *further*, That \$45,000,000 shall be transferred to this ap-  
2 propriation from funds available under section 32 of the Act  
3 of August 24, 1935 (7 U.S.C. 612c), for purchase and  
4 distribution of agricultural commodities and other foods pur-  
5 suant to section 6 of the National School Lunch Act.

6 **FOOD STAMP PROGRAM**

7 For necessary expenses of the food stamp program pur-  
8 suant to the Food Stamp Act of 1964, \$150,000,000, to be  
9 provided from funds available under section 32 of the Act  
10 of August 24, 1935 (7 U.S.C. 612c).

11 **REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES**

12 **(SECTION 32)**

13 No funds available under section 32 of the Act of Au-  
14 gust 24, 1935 (7 U.S.C. 612c) shall be used for any pur-  
15 pose other than commodity program expenses as authorized  
16 therein, and other related operating expenses, except for  
17 (1) transfers to the Department of the Interior as authorized  
18 by the Fish and Wildlife Act of August 8, 1956, (2) trans-  
19 fers otherwise provided in this Act, and (3) not more than  
20 \$2,924,000 for formulation and administration of marketing

1 agreements and orders pursuant to the Agricultural Mar-  
2 keting Agreement Act of 1937, as amended, and the Agri-  
3 cultural Act of 1961.

#### 4 FOREIGN AGRICULTURAL SERVICE

##### 5 SALARIES AND EXPENSES

6 For necessary expenses for the Foreign Agricultural  
7 Service, including carrying out title VI of the Agricultural  
8 Act of 1954 (7 U.S.C. 1761-1768), market development  
9 activities abroad, and for enabling the Secretary to coordi-  
10 nate and integrate activities of the Department in connection  
11 with foreign agricultural work, including not to exceed \$35,-  
12 000 for representation allowances and for expenses pursuant  
13 to section 8 of the Act approved August 3, 1956 (7 U.S.C.  
14 1766), \$21,088,000: *Provided*, That not less than \$255,000  
15 of the funds contained in this appropriation shall be available  
16 to obtain statistics and related facts on foreign production and  
17 full and complete information on methods used by other  
18 countries to move farm commodities in world trade on a  
19 competitive basis: *Provided further*, That, in addition, not  
20 to exceed \$3,117,000 of the funds appropriated by section



1 32 of the Act of August 24, 1935, as amended (7 U.S.C.  
2 612c), shall be merged with this appropriation and shall be  
3 available for all expenses of the Foreign Agricultural Service.

4 COMMODITY EXCHANGE AUTHORITY

5 SALARIES AND EXPENSES

6 For necessary expenses to carry into effect the provi-  
7 sions of the Commodity Exchange Act, as amended (7  
8 U.S.C. 1-17a), \$1,398,000.

9 AGRICULTURAL STABILIZATION AND CONSERVATION

10 SERVICE

11 EXPENSES, AGRICULTURAL STABILIZATION AND

12 CONSERVATION SERVICE

13 For necessary administrative expenses of the Agricul-  
14 tural Stabilization and Conservation Service, including ex-  
15 penses to formulate and carry out programs authorized by  
16 title III of the Agricultural Adjustment Act of 1938, as  
17 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as  
18 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),  
19 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and  
20 Domestic Allotment Act, as amended (16 U.S.C. 590g-  
21 590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil  
22 Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816);  
23 and laws pertaining to the Commodity Credit Corporation.  
24 \$126,558,000: *Provided*, That, in addition, not to exceed

1 \$75,803,600 may be transferred to and merged with this  
2 appropriation from the Commodity Credit Corporation  
3 fund (including not to exceed \$30,008,000 under the  
4 limitation on Commodity Credit Corporation administrative  
5 expenses) : *Provided further*, That other funds made avail-  
6 able to the Agricultural Stabilization and Conservation Serv-  
7 ice for authorized activities may be advanced to and merged  
8 with this appropriation: *Provided further*, That no part of  
9 the funds appropriated or made available under this Act  
10 shall be used (1) to influence the vote in any referendum;  
11 (2) to influence agricultural legislation, except as permitted  
12 in 18 U.S.C. 1913; or (3) for salaries or other expenses  
13 of members of county and community committees estab-  
14 lished pursuant to section 8 (b) of the Soil Conservation  
15 and Domestic Allotment Act, as amended, for engaging in  
16 any activities other than advisory and supervisory duties  
17 and delegated program functions prescribed in administrative  
18 regulations.

#### 19 SUGAR ACT PROGRAM

20 For necessary expenses to carry into effect the provisions  
21 of the Sugar Act of 1948 (7 U.S.C. 1101-1161),  
22 \$80,000,000, to remain available until June 30 of the next  
23 succeeding fiscal year.

## 1                    AGRICULTURAL CONSERVATION PROGRAM

2            For necessary expenses to carry into effect the program  
3 authorized in sections 7 to 15, 16 (a), and 17 of the Soil  
4 Conservation and Domestic Allotment Act, approved Febru-  
5 ary 29, 1936, as amended (16 U.S.C. 590g-590 (o), 590p  
6 (a), and 590q), including not to exceed \$6,000 for the  
7 preparation and display of exhibits, including such displays  
8 at State, interstate, and international fairs within the United  
9 States, \$220,000,000, to remain available until December 31  
10 of the next succeeding fiscal year for compliance with the  
11 programs of soil-building and soil- and water-conserving  
12 practices authorized under this head in the Department of  
13 Agriculture and Related Agencies Appropriation Acts,  
14 1965 and 1966, carried out during the period July 1, 1964,  
15 to December 31, 1966, inclusive: *Provided*, That none of  
16 the funds herein appropriated shall be used to pay the salaries  
17 or expenses of any regional information employees or any  
18 State information employees, but this shall not preclude the  
19 answering of inquiries or supplying of information at the  
20 county level to individual farmers: *Provided further*, That no  
21 portion of the funds for the current year's program may be  
22 utilized to provide financial or technical assistance for drain-  
23 age on wetlands now designated as Wetland Types 3 (III),  
24 4 (IV), and 5 (V) in United States Department of the In-



terior, Fish and Wildlife Service Circular 39, Wetlands of  
the United States, 1956: *Provided further*, That necessary  
amounts shall be available for administrative expenses in con-  
nection with the formulation and administration of the 1967  
program of soil-building and soil- and water-conserving prac-  
tices, including related wildlife conserving practices, under  
the Act of February 29, 1936, as amended (amounting to  
\$220,000,000, excluding administration, except that no  
participant shall receive more than \$2,500, except where  
the participants from two or more farms or ranches join  
to carry out approved practices designed to conserve or im-  
prove the agricultural resources of the community) : *Pro-  
vided further*, That not to exceed 5 per centum of the alloca-  
tion for the current year's agricultural conservation pro-  
gram for any county may, on the recommendation of  
such county committee and approval of the State committee,  
be withheld and allotted to the Soil Conservation Service for  
services of its technicians in formulating and carrying out  
the agricultural conservation program in the participating  
counties, and shall not be utilized by the Soil Conservation  
Service for any purpose other than technical and other assist-  
ance in such counties, and in addition, on the recommenda-  
tion of such county committee and approval of the State  
committee, not to exceed 1 per centum may be made avail-

1 able to any other Federal, State, or local public agency for  
2 the same purpose and under the same conditions: *Provided*  
3 *further*, That for the current year's program \$2,500,000  
4 shall be available for technical assistance in formulating and  
5 carrying out agricultural conservation practices: *Provided*  
6 *further*, That such amounts shall be available for the pur-  
7 chase of seeds, fertilizers, lime, trees, or any other farming  
8 material, or any soil-terracing services, and making grants  
9 thereof to agricultural producers to aid them in carrying out  
10 farming practices approved by the Secretary under programs  
11 provided for herein: *Provided further*, That no part of any  
12 funds available to the Department, or any bureau, office,  
13 corporation, or other agency constituting a part of such  
14 Department, shall be used in the current fiscal year for the  
15 payment of salary or travel expenses of any person who has  
16 been convicted of violating the Act entitled "An Act to pre-  
17 vent pernicious political activities", approved August 2,  
18 1939, as amended, or who has been found in accordance  
19 with the provisions of title 18, United States Code, section  
20 1913, to have violated or attempted to violate such section  
21 which prohibits the use of Federal appropriations for the  
22 payment of personal services or other expenses designed to

1 influence in any manner a Member of Congress to favor or  
2 oppose any legislation or appropriation by Congress except  
3 upon request of any Member or through the proper official  
4 channels.

5 APPALACHIAN REGION CONSERVATION PROGRAM

6 For necessary expenses, not otherwise provided for, to  
7 carry into effect section 203 of the Appalachian Regional  
8 Development Act of 1965, \$2,200,000, to remain available  
9 until expended.

10 CROPLAND CONVERSION PROGRAM

11 For necessary expenses to promote the conservation and  
12 economic use of land pursuant to the provisions of section  
13 16 (e) of the Soil Conservation and Domestic Allotment Act  
14 (16 U.S.C. 590h, 590p), as amended, \$7,500,000, to  
15 remain available until expended.

16 CROPLAND ADJUSTMENT PROGRAM

17 For necessary expenses to carry into effect a Cropland  
18 Adjustment Program as authorized by the Food and Agricul-  
19 ture Act of 1965, including reimbursement to Commodity  
20 Credit Corporation, \$125,000,000: *Provided*, That agree-  
21 ments entered into during the fiscal year 1967 shall not



1 require payments during the calendar year 1967 exceeding  
2 \$95,000,000.

3 CONSERVATION RESERVE PROGRAM

4 For necessary expenses to carry out a conservation  
5 reserve program as authorized by subtitles B and C of the  
6 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and  
7 1816), and to carry out liquidation activities for the acreage  
8 reserve program, to remain available until expended,  
9 \$140,000,000, with which may be merged the unexpended  
10 balances of funds heretofore appropriated for soil bank pro-  
11 grams: *Provided*, That no part of these funds shall be paid  
12 on any contract which is illegal under the law due to the  
13 division of lands for the purpose of evading limits on annual  
14 payments to participants.

15 EMERGENCY CONSERVATION MEASURES

16 For emergency conservation measures, to be used for  
17 the same purposes and subject to the same conditions as  
18 funds appropriated under this head in the Third Supple-  
19 mental Appropriation Act, 1957, to remain available until  
20 expended, \$5,000,000, with which shall be merged the

1 unexpended balances of funds heretofore appropriated for  
2 emergency conservation measures.

3 RURAL COMMUNITY DEVELOPMENT SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses, not otherwise provided for, of  
6 the Rural Community Development Service in providing  
7 leadership, coordination, liaison, and related services in the  
8 rural areas development activities of the Department,  
9 \$637,000: *Provided*, That not to exceed \$3,000 shall be  
10 available for employment under section 15 of the Act of  
11 August 2, 1946 (5 U.S.C. 55a).

12 OFFICE OF THE INSPECTOR GENERAL

13 SALARIES AND EXPENSES

14 For necessary expenses of the Office of the Inspector  
15 General, including employment pursuant to the second sen-  
16 tence of section 706 (a) of the Organic Act of 1944 (5  
17 U.S.C. 574) and not to exceed \$10,000 for employment  
18 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
19 55a), \$11,254,000.

20 PACKERS AND STOCKYARDS ACT

21 For expenses necessary for administration of the Packers  
22 and Stockyards Act, as authorized by law, including field

1 employment pursuant to section 706 (a) of the Organic Act  
2 of 1944 (5 U.S.C. 574), \$2,400,000.

3 OFFICE OF THE GENERAL COUNSEL

4 SALARIES AND EXPENSES

5 For necessary expenses, including payment of fees or  
6 dues for the use of law libraries by attorneys in the field  
7 service, \$4,325,000.

8 OFFICE OF INFORMATION

9 SALARIES AND EXPENSES

10 For necessary expenses of the Office of Information for  
11 the dissemination of agricultural information and the coordi-  
12 nation of informational work and programs authorized by  
13 Congress in the Department, \$1,826,000, of which total  
14 appropriation not to exceed \$537,000 may be used for  
15 farmers' bulletins, which shall be adapted to the interests  
16 of the people of the different sections of the country,  
17 an equal proportion of four-fifths of which shall be available  
18 to be delivered to or sent out under the addressed franks  
19 furnished by the Senators, Representatives, and Delegates  
20 in Congress, as they shall direct (7 U.S.C. 417), and not  
21 less than two hundred and thirty-two thousand two hundred  
22 and fifty copies for the use of the Senate and House of Rep-  
23 resentatives of part 2 of the annual report of the Secretary  
24 (known as the Yearbook of Agriculture) as authorized by



1 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :  
2 *Provided*, That in the preparation of motion pictures or ex-  
3 hibits by the Department, this appropriation shall be avail-  
4 able for employment pursuant to the second sentence of  
5 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574) ,  
6 and not to exceed \$10,000 shall be available for employment  
7 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
8 55a) .

9 NATIONAL AGRICULTURAL LIBRARY

10 SALARIES AND EXPENSES

11 For necessary expenses of the National Agricultural  
12 Library, \$2,147,000: *Provided*, That this appropriation  
13 shall be available for employment pursuant to the second  
14 sentence of section 706 (a) of the Organic Act of 1944 (5  
15 U.S.C. 574) , and not to exceed \$35,000 shall be available  
16 for employment under section 15 of the Act of August 2,  
17 1946 (5 U.S.C. 55a) .

18 OFFICE OF MANAGEMENT SERVICES

19 SALARIES AND EXPENSES

20 For necessary expenses to enable the Office of Manage-  
21 ment Services to provide management support services to  
22 selected agencies and offices of the Department of Agricul-  
23 ture, \$2,600,000.

## GENERAL ADMINISTRATION

## SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,959,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

## TITLE II—CREDIT AGENCIES

## RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

## LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from

1 the Secretary of the Treasury in accordance with the pro-  
2 visions of section 3 (a) of said Act, and to remain available  
3 without fiscal year limitation in accordance with section 3 (e)  
4 of said Act, as follows: Rural electrification program,  
5 \$365,000,000, of which \$72,500,000 shall be placed in  
6 reserve to be borrowed under the same terms and conditions  
7 to the extent that such amount is required during the cur-  
8 rent fiscal year under the then existing conditions for the  
9 expeditious and orderly development of the rural electrifica-  
10 tion program; and rural telephone program, \$97,000,000,  
11 of which \$6,000,000 shall be placed in reserve to be bor-  
12 rowed under the same terms and conditions to the extent  
13 that such amount is required during the current fiscal year  
14 under the then existing conditions for the expeditious and  
15 orderly development of the rural telephone program.

16 **SALARIES AND EXPENSES**

17 For administrative expenses, including not to exceed  
18 \$500 for financial and credit reports, funds for employment  
19 pursuant to the second sentence of section 706 (a) of the  
20 Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
21 \$150,000 for employment under section 15 of the Act of  
22 August 2, 1946 (5 U.S.C. 55a), \$12,202,000.



## FARMERS HOME ADMINISTRATION

## DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$90,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

## RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306 (a) (2) and 306 (a) (6) of the Consolidated Farmers Home Administration Act of 1961, as amended, \$26,000,000.

## RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518 (d) of the Housing Act of 1949 (79 Stat. 500), \$15,000,000 shall be available from funds in the rural housing direct loan account.

## RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), \$3,000,000, to remain available until expended.

## RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$1,200,000, to remain available until expended.

## SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921-1990), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); \$51,057,000, together with

1 not more than \$2,250,000 of the charges collected in  
2 connection with the insurance of loans as authorized  
3 by section 309 (e) of the Consolidated Farmers Home  
4 Administration Act of 1961, as amended, and section  
5 514 (b) (3) of the Housing Act of 1949, as amended:  
6 *Provided*, That, in addition, not to exceed \$500,000 of the  
7 funds available for the various programs administered by  
8 this agency may be transferred to this appropriation for  
9 temporary field employment pursuant to the second sen-  
10 tence of section 706 (a) of the Organic Act of 1944 (5  
11 U.S.C. 574) to meet unusual or heavy workload increases:  
12 *Provided further*, That no part of any funds in this para-  
13 graph may be used to administer a program which makes  
14 rural housing grants pursuant to section 504 of the Housing  
15 Act of 1949, as amended.

### 16 TITLE III—CORPORATIONS

17 The following corporations and agencies are hereby  
18 authorized to make such expenditures, within the limits of  
19 funds and borrowing authority available to each such cor-  
20 poration or agency and in accord with law, and to make



1 such contracts and commitments without regard to fiscal  
2 year limitations as provided by section 104 of the Govern-  
3 ment Corporation Control Act, as amended, as may be  
4 necessary in carrying out the programs set forth in the  
5 budget for the current fiscal year for such corporation or  
6 agency, except as hereinafter provided:

7           FEDERAL CROP INSURANCE CORPORATION

8           ADMINISTRATIVE AND OPERATING EXPENSES

9           For administrative and operating expenses, \$8,342,000.

10          FEDERAL CROP INSURANCE CORPORATION FUND

11          Not to exceed \$4,150,000 of administrative and operat-  
12 ing expenses may be paid from premium income: *Provided,*  
13 That in the event the Federal Crop Insurance Corporation  
14 Fund is insufficient to meet indemnity payments and other  
15 charges against such Fund, not to exceed \$500,000 may  
16 be borrowed from the Commodity Credit Corporation under  
17 such terms and conditions as the Secretary may prescribe,  
18 but repayment of such amount shall include interest at a  
19 rate not less than the cost of money to the Commodity  
20 Credit Corporation for a comparable period.

## COMMODITY CREDIT CORPORATION

## REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,500,000,000.

## LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$34,300,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the

1 acquisition, operation, maintenance, improvement, or dispo-  
2 sition of any real or personal property belonging to the Cor-  
3 poration or in which it has an interest, including expenses  
4 of collections of pledged collateral, shall be considered as non-  
5 administrative expenses for the purposes hereof.

6 PUBLIC LAW 480

7 For expenses during fiscal year 1967, not otherwise  
8 recoverable, and unrecovered prior years' costs, including  
9 interest thereon, under the Agricultural Trade Development  
10 and Assistance Act of 1954, as amended (7 U.S.C. 1701-  
11 1709, 1721-1724, 1731-1736), to remain available until  
12 expended, as follows: (1) Sale of surplus agricultural com-  
13 modities for foreign currencies pursuant to title I of said Act,  
14 \$1,040,000,000; (2) commodities disposed of for emergency  
15 famine relief to friendly peoples pursuant to title II of said  
16 Act, \$200,000,000; and (3) long-term supply contracts  
17 pursuant to title IV of said Act, \$377,000,000.

18 INTERNATIONAL WHEAT AGREEMENT

19 For expenses during fiscal year 1967 and unrecovered  
20 prior years' costs, including interest thereon, under the In-  
21 ternational Wheat Agreement Act of 1949, as amended (7  
22 U.S.C. 1641-1642), or commodity export authorities of the  
23 Commodity Credit Corporation, \$40,000,000, to remain  
24 available until expended.



## 1 TITLE IV—RELATED AGENCIES

## 2 FARM CREDIT ADMINISTRATION

## 3 LIMITATION ON ADMINISTRATIVE EXPENSES

4 Not to exceed \$3,032,000 (from assessments collected  
5 from farm credit agencies) shall be obligated during the cur-  
6 rent fiscal year for administrative expenses.

7 NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER  
8 EXPENSES

9 For necessary expenses, not otherwise provided, of the  
10 National Advisory Commission on Food and Fiber estab-  
11 lished to assist the President's Committee on Food and Fiber,  
12 including services as authorized by section 15 of the Act of  
13 August 2, 1946 (5 U.S.C. 55a), \$350,000.

## 14 TITLE V—GENERAL PROVISIONS

15 SEC. 501. Within the unit limit of cost fixed by law.  
16 appropriations and authorizations made for the Department  
17 under this Act shall be available for the purchase, in addi-  
18 tion to those specifically provided for, of not to exceed four  
19 hundred and twenty-one passenger motor vehicles for re-  
20 placement only, and for the hire of such vehicles.

21 SEC. 502. Provisions of law prohibiting or restricting  
22 the employment of aliens shall not apply to employment  
23 under the appropriation for the Foreign Agricultural Service.

1        SEC. 503. Funds available to the Department of Agri-  
2        culture shall be available for uniforms or allowances therefor  
3        as authorized by the Act of September 1, 1954, as amended  
4        (5 U.S.C. 2131) .

5        SEC. 504. No part of the funds appropriated by this  
6        Act shall be used for the payment of any officer or employee  
7        of the Department who, as such officer or employee, or on  
8        behalf of the Department or any division, commission, or  
9        bureau thereof, issues, or causes to be issued, any prediction,  
10       oral or written, or forecast, except as to damage threatened  
11       or caused by insects and pests, with respect to future prices  
12       of cotton or the trend of same.

13       SEC. 505. Except to provide materials required in or  
14       incident to research or experimental work where no suitable  
15       domestic product is available, no part of the funds appropri-  
16       ated by this Act shall be expended in the purchase of twine  
17       manufactured from commodities or materials produced out-  
18       side of the United States.

19       SEC. 506. Not less than \$1,500,000 of the appropria-  
20       tions of the Department for research and service work author-  
21       ized by the Acts of August 14, 1946, July 28, 1954, and  
22       September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.  
23       1891-1893) , shall be available for contracting in accordance  
24       with said Acts.

1        SEC. 507. No part of any appropriation contained in  
 2        this Act shall remain available for obligation beyond the  
 3        current fiscal year unless expressly so provided herein.

4        This Act may be cited as the "Department of Agricul-  
 5        ture and Related Agencies Appropriation Act, 1967".

89TH CONGRESS  
 2D SESSION

Union Calendar No. 627

**H. R. 14596**

[Report No. 1446]

## **A BILL**

Making appropriations for the Department of  
 Agriculture and related agencies for the  
 fiscal year ending June 30, 1967, and for  
 other purposes.

By Mr. WHITTEN

APRIL 22, 1966

Committed to the Committee of the Whole House on  
 the State of the Union and ordered to be printed







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
( ) TO BE QUOTED OR CITED)

Issued April 27, 1966  
For actions of April 26, 1966  
89th-2nd; No. 69

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HIGHLIGHTS: House passed agricultural appropriation bill. Rep. Morrison commended record of Secretary Freeman. Rep. Fino criticized participation sales bill. Rep. Gathings asked support for cotton promotion bill. Rep. Reifel criticized farm program.

### HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Passed, 366-23, with amendments this bill, H. R. 14596. pp. 8503-53, 8565, 8571-2

Agreed to the following amendments:

By Rep. Whitten, to increase the funds for ASCS expenses by \$2 million.  
p. 8541

By Rep. Whitten, to reduce the appropriation for 1967 for the Cropland Adjustment Program from \$125 million to \$90 million. p. 8544

By Rep. Whitten, to reduce the advance authorization for the 1967 Cropland Adjustment Program from \$95 million to \$80 million. p. 8544



Rejected the following amendments:

- By Rep. Findley, to limit payments under the Sugar Act to \$100,000. p. 8542
- By Rep. Rumsfeld, to reduce the ACP advance authorization from \$220 million to \$100 million, by a 30-75 vote. pp. 8542-4
- By Rep. Bow, to reduce the REA loan authorizations from \$365 million to \$220 million, by a 36-79 vote. pp. 8544-7
- By Rep. Fino, to reduce the loan authorizations under the Rural Housing Direct Loan Account from \$15 million to \$10 million. pp. 8547-8
- By Rep. Findley, to require that all administrative expenses under the Federal Crop Insurance Corporation be paid from premium income instead of partly by appropriation. pp. 8548-9
- By Rep. Findley, to prohibit assistance under Titles I and IV of Public Law 480 to any country whose ships carry goods to North Vietnam, by a 57-75 vote. pp. 8549-50
- By Rep. Kupferman, to limit expenditures under the bill to 95% of those shown in the Budget. pp. 8550-51

Agreed to, 290-98, a motion by Rep. Findley to recommit the bill with instructions to report it back with the amendment that would prohibit agreements under Titles I and IV of Public Law 480 with countries whose ships carry goods to North Vietnam. The Committee then reported back the bill with this amendment, and the amendment was agreed to. pp. 8551-2

2. FARM PROGRAM. Rep. Morrison commended the record of Secretary Freeman, in response to Rep. Findley's recent comments. pp. 8584-5
3. MONETARY POLICY. Rep. Patman stated that Federal Reserve tight money policies cause recession. pp. 8553-4
4. SALES PARTICIPATION. Rep. Patman inserted an AMVETS statement favoring the sales participation bill. pp. 8554-5
5. RAISINS. Rep. Sisk spoke on the importance of the raisin industry in observation of National Raisin Week. pp. 8555-6
6. FIREFIGHTERS. Rep. Meeds recommended passage of S. J. Res. 86, to proclaim May 4, 1966, as a day of recognition of firefighters. p. 8556
7. RESOURCE DEVELOPMENT. Extension of remarks of Rep. Hathaway in support of the St. John-Arcostook project and commending the participation of SCS. p. 8580
8. LEGISLATIVE PROGRAM. The Daily Digest states that today the House is to consider H. R. 10065, the equal opportunity bill, and H. R. 13881, the bill on transportation, sale, and handling of dogs and cats. p. D349

ITEMS IN APPENDIX

9. FISH PROTEIN. Extension of remarks of Rep. Keith stating that "there must be no further delay in putting fish protein concentrate to use", and inserting an article, "Education Required." p. A2226
10. COTTON. Extension of remarks of Rep. Gathings expressing hope that the Senate will take early action on the cotton promotion bill and inserting an article favoring the proposed bill. p. A2227



To our heroes we'll be true  
As their vision we pursue  
In abiding love for you,  
Illinois, Illinois,  
In abiding love for you,  
Illinois.

Mr. Speaker, as my colleagues may have heard there is a primary contest in the Second Congressional District of Illinois and I am cheered to learn that my distinguished colleague from southern Illinois, KEN GRAY, will close the primary election campaign for me by singing in that rich voice of his the official song of Illinois.

The issue against me, very thinly disguised, seems to be that I am too old. That issue I have accepted head-on. I am not running away from a single year, a single day, a single hour of my 84 years, come this Thursday.

That is why my campaign will be closed with the singing of the official song of Illinois, the State that has never turned its back on age. Speaker Joe Cannon, for whom the oldest of our three House office buildings is named, served with brilliant vigor when he was 87. The great Adolph Sabath, a Member of this body for a longer period than any other Member in the history of the Congress, was the able, alert, and dynamic chairman of the Rules Committee. And at 86 Tom O'Brien was not only the most beloved Member of the House but also one of the most influential. At 86 he was as active and alert, as erect in stature, as keen in intellect, as the youngest of his colleagues.

So, Mr. Speaker, I am not running away from my 84 years and I do not think Illinois is ashamed of the fact that again one of her sons is the oldest Member of the House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the beloved and distinguished Speaker.

Mr. McCORMACK. Mr. Speaker, I think the gentleman from Illinois is one of the youngest Members of the House.

There are two aspects to the journey of life. There is the passage through life in terms of years, and there is the journey of life from the point of a person's outlook on life.

The gentleman from Illinois is still looking 5 and 10 years ahead in the service of the people of our country. He has a penetrating mind, the mind not only of making America stronger, but of making progress today and in the future.

So, to me, for whatever value my opinion might be worth to the people of his district, the gentleman from Illinois [Mr. O'HARA] is one of the youngest and most progressive and forwardthinking Members of the House. That is my opinion as a Member of this great body.

#### NO IMMEDIATE TAX INCREASE

(Mr. BERRY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, it appears unlikely there will be a tax increase, at least until after the election. The administration refers to it almost daily,

more as a club over the public's head, and to give the impression it wants to do something about slowing down rampant inflation. A tax increase, however, to take spending power out of the hands of the individual, would not in itself decrease the demand for goods. This is particularly true if the money taken from the individual is then spent by the Federal Government. The only difference is the decision as to what is bought would be made by the Government instead of the taxpayer. Rather than new taxes, I think we should cut Federal non-defense spending. Keeping expenditures below income is the best way to strengthen the value of the dollar.

#### DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1967

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not exceeding 2½ hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. MICHEL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 14596, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 1¼ hours, and the gentleman from Illinois [Mr. MICHEL] will be recognized for 1¼ hours. The Chair recognizes the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I yield myself 15 minutes.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I believe this is the 16th year I have had the privilege of presenting this appropriation bill to the House of Representatives. Truly it might be termed "An act to promote the well-being of our urban population," for it is the 7 percent who remain on our farms which enables the 93 percent who live in towns and cities to work in our factories developing and producing the many manufactured products which make up our high standard of living.

We might term this "an appropriation

for protection of the public health," for it carries funds for inspection of the meats and vegetables which go on our tables, restores funds, eliminated by the Bureau of the Budget, for the school lunch and school milk programs, which are helping to produce the largest and healthiest youngsters the Nation has ever known, while it continues funds to control pests and pestilence.

Or perhaps we should term this bill one "for the protection of industry and labor," for those few, the 7 percent, left on the farm have had to substitute for those who have moved to town, huge investments in machinery and equipment, thus becoming perhaps industry and labor's biggest market.

The producer of agricultural products spends nearly \$30 billion a year for goods and services to produce crops and livestock; another \$12 billion a year is spent for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services. Each year the farmer's purchases include \$3.4 billion in new farm tractors and other farm vehicles, machinery, and equipment. It takes 120,000 employees to produce this farm equipment alone.

His annual purchases also include \$3.4 billion for fuel, lubricants, and maintenance of machinery and motor vehicles. Farm production uses more petroleum than any other single industry. Each year the farmer buys products containing 320 million pounds of rubber—about 9 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles. He consumes 28 billion kilowatt-hours of electricity annually. He uses 5 million tons of steel in the form of machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

On the other hand, the bill might well be described as the Rural Development Act for 1967, for this bill provides funds to continue the rural development programs of the Farmers Home Administration, which in fiscal year 1965 made the following number of loans in rural areas, to be repaid with interest:

Farm ownership loans, 12,186; soil and water loans, 1,275; operating loans, 72,597; rural housing loans, 15,779; emergency credit loans, 22,290.

This has meant much to my own State where to date, 182 small towns and rural areas in 64 Mississippi counties have developed special projects for central water systems, totaling more than \$20 million, since a loan program financed by the Farmers Home Administration began less than 4 years ago.

We are making the fastest progress of any other State toward complete coverage of our rural areas with modern water systems so essential to better living standards and more prosperity for all.

Fifty-three new Mississippi rural water systems built since 1962 already are in operation, 38 others are under construction and 65 more have been approved for early construction.

Modern water systems are important because they assure a constant supply of clean water in the homes of farm and rural dwellers who comprise a major



segment of our working force and provide room for the people in our overcrowded towns and cities.

Mississippi's economic and social progress is getting a substantial boost through this program of FHA-insured water systems becoming available to more and more rural people in the State.

In this bill we have restored budget cuts recommended for the rural electrification program which truly has given to rural living everything but city problems.

Or we might term this measure "The Town and City Promotion and Development Act," for it is these programs which have made it possible to develop and expand industry so greatly, not only in my district across north Mississippi but throughout the country.

Or this bill could be cited as "The Insurance Act for Posterity," for carried here are funds for watershed protection and flood prevention, for the soil conservation program and the Soil Conservation Service which, together with our Extension Service, mean everything toward providing for our children and our children's children a rich and improved land for the future.

All this is provided for a cost of about as much as we spend annually on trying to get a man to the moon.

Mr. Chairman, I have served on the Appropriations Committee for many years. In fact, only two members have served on the 50-man Appropriations Committee longer than I, Chairman GEORGE MAHON, of Texas, and MIKE KIRWAN, of Ohio.

Mr. Chairman, as you know it is my privilege to also serve on the Appropriations Subcommittee on Public Works, which provides funds for the Atomic Energy Commission, the TVA, with its water control and power program for its region, and for every river and harbor in the United States.

Truly, Mr. Chairman, with all the problems we have today, it is a great privilege to stand here and urge that first and foremost we must look after the development and protection of our resources at home, including the public health, for it is on these things that all else depends.

We have therefore restored the following:

	<i>Appropriations restored</i>
<b>Agricultural Research Service:</b>	
Research facilities scheduled for elimination or reduction in 1966 at 24 locations and in 1967 at 70 locations throughout the country-----	\$5, 401, 300
Control and eradication of various plant and animal diseases, including fire ant, phony peach and peach mosaic, soybean cyst nematode, sweetpotato weevil, barberry, golden nematode, gypsy moth, witchweed, brucellosis and scabies-----	7, 803, 100
<b>Cooperative State Research Service:</b>	
Payments to State agricultural experiment stations under the Hatch Act-----	8, 245, 000
Grants for facilities at experiment stations-----	2, 000, 000

	<i>Appropriations restored</i>
<b>Extension Service:</b>	
The proposed shift of \$10,000,000 in payments to States from formula provisions of section 3(c) to nonformula provisions of section 3(d) of the Smith-Lever Act not approved-----	
<b>Soil Conservation Service:</b>	
Decrease in soil survey operations (\$3,600,000 reduction proposed—\$1,600,000 approved)-----	\$2, 000, 000
Reduction in new planning starts from 100 to 50 proposed. 100 new planning starts restored-----	
Reduction in funds for Public Law 566 watersheds and reduction in new starts from 80 to 35 proposed. Funds and 80 new construction starts restored-----	1, 444, 600
<b>Consumer and Marketing Service:</b>	
Reduction of special milk program from \$103,000,000 to \$21,000,000 proposed. Reduction restored, with \$53,000,000 of total to come from sec. 32 funds-----	82, 000, 000
Reduction in school lunch program from \$157,000,000 to \$138,000,000 proposed. Reduction restored-----	19, 000, 000
<b>Agricultural Stabilization and Conservation Service:</b>	
The committee recommends that the proposed cut in the agricultural conservation program from \$220,000,000 to \$100,000,000 be disapproved and that the 1967 program be maintained at the present year's level of \$220,000,000, plus \$30,000,000 for administrative expenses-----	
<b>Rural Electrification Administration loan authorization:</b>	
Reduction in electrification loan authorization restored from \$220,000,000 proposed to 1966 level of \$365,000,000, with \$72,500,000 placed in contingency reserve-----	
Reduction in telephone loan authorization restored from \$85,000,000 proposed to 1966 level of \$97,000,000, with \$6,000,000 placed in contingency reserve-----	
<b>THE BUDGET FOR AGRICULTURE</b>	

The bill includes total appropriations of \$6,909,027,000 for the coming year, a reduction of \$113,611,000 in the budget requests which total \$7,022,638,000. The amount proposed is \$527,578,500 more than appropriated for fiscal year 1966, due to restoration of capital impairment for the Commodity Credit Corporation.

As our domestic needs for food and fiber increase, and as our world commitments grow, the budget recommends that we give less financial support to that segment of our economy which is the very basis for our personal well-being and the key to our national prosperity and international strength. The budget proposals would seriously damage American agriculture, which is the key segment in the Nation's partnership of agriculture, industry and labor.

If the Committee and the Congress were to follow the recommendations of the 1967 budget for the Department of

Agriculture, our whole economy would be endangered, as would our international commitments. If such a policy as the administration advocates were followed for only a few years, the United States would likely be a food deficit country instead of one of abundance.

#### ESSENTIAL ACTIVITIES WOULD BE ELIMINATED

A reduction of \$5,401,300 is proposed in research activities of the Agricultural Research Service. This would seriously impair valuable research in nearly every phase of agriculture, including costs of production, control of insects and diseases, soil and water conservation, agricultural engineering, commodity utilization, human nutrition and marketing efficiency. Under this reduction, less research attention would be given to many of the Nation's important food crops, the supplies of some of which are at low levels at present, including wheat, corn, grain sorghums, rice, sugar cane, sugar beets, fruits and vegetables, and livestock. Important research work at 24 locations throughout the country would be eliminated during the current year. The proposed cut would also terminate or curtail essential research activities at 70 additional locations in nearly every area of the Nation during the fiscal year 1967.

Although it is recognized that insects and diseases decrease the supply and increase the cost of food, the elimination or reduction of certain pest control activities is proposed. While these pests, which infest the soil and destroy crops are already doing billions of dollars of damage annually on millions of acres of land, the budget would reduce or terminate efforts to prevent their spread to other areas of the country. The proposed budget reduction of \$7,803,100 would completely eliminate control programs for such insect and disease threats as the imported fire ant in 12 States, phony peach eradication and peach mosaic eradication in fruit growing areas of 13 States, soybean cyst nematode control in 22 States, and sweetpotato weevil control in 7 States. In addition, it would substantially reduce eradication programs for the golden nematode on Long Island, barberry eradication in 14 States, gypsy moth control in 7 States, and witchweed eradication in North and South Carolina. Also, brucellosis control operations would be curtailed throughout the Nation and sheep and cattle scabies eradication work would be substantially reduced.

A budget reduction of \$8,245,000 proposed in research funds for the State experiment stations would adversely affect every State in the Union. It would eliminate essential research personnel at every land-grant institution in the country, with a damaging effect on the important long-range research programs of these institutions in their efforts to keep us one step ahead of insects and diseases. In addition, a cut of \$2 million is proposed in grants for the construction of essential research facilities at many of the State experiment stations, so necessary to a rapidly growing Nation. A review of the testimony presented to the committee by representatives of Kansas State, Washington State, Cornell, and



other land-grant universities, clearly shows that such cuts would adversely affect planning, training of graduate students, employment of trained personnel, and other aspects of a sustained research effort.

For payments to the State extension services, the budget proposes to reduce by \$10 million the funds distributed under the formula provisions of section 3(c) of the Smith-Lever Act. This would seriously curtail the regular continuing functions of the extension service in each State and would make the extension activities at the State and county levels subject to the allocation of funds as determined by the Secretary. The long-range continuity and effectiveness of the county agent system, which is one of the main strengths of U.S. agriculture, would be adversely affected by this proposal.

As we talk of the dangers of water and soil pollution and the need to protect and conserve our soil and water resources, the budget recommends less attention to the protection and development of our watersheds. The most essential program for improving our soil and water resources, in which more than 1 million Americans participate, the agricultural conservation program, would be cut by more than 50 percent. If allowed to stand, this would not only destroy the main support for our nationwide soil and water conservation program, but it would reduce by 510 the number of soil conservation technicians available next year for the various activities of the Soil Conservation Service, including the small watershed and flood prevention projects throughout the United States.

Also the budget proposes to reduce funds for soil surveys and to curtail funds for Public Law 566 watershed projects. It proposes, further, to reduce new starts for watershed planning from 100 to 50, 10 of which are designated for the Appalachian region, leaving less than one each for the balance of the States. The budget also recommends that new starts for small watershed projects be reduced from 80 to 35, 7 of which would be in Appalachia. This would permit only 28 new starts in the rest of the United States, which would mean one new project each for about half of the States in the coming fiscal year. The result would be a costly delay in meeting the Nation's urgent need to protect and conserve our soil and water resources for the use of future generations of Americans.

At a time when many young Americans are being turned down for military service because of defects traceable to nutritional deficiencies, it is recommended in the budget that the special milk program be virtually eliminated. As we talk of helping to feed a hungry world, substantial cuts are requested by the budget in our own school lunch program. The reduction in the special milk program from \$103 million to \$21 million—a cut of \$82 million—would deny supplemental milk to about 80 percent of our schoolchildren who are now benefiting from this program. Further, the reaction of those needy children selected for free milk could result in the complete abandonment of this valuable program. The budget reduction of \$19 million in

the school lunch program—from \$157 million in 1966 to \$138 million for 1967—would also deny wholesome mid-day lunches to many children who receive no other nutritious meal each day. Studies of national dietary habits indicate that the lack of nutritious and well-balanced meals is not restricted to families in the lower income brackets.

Budget reductions are also proposed in the ceilings on loan funds for the Rural Electrification Administration. The ceiling for rural electrification loans would be cut from \$365 million for 1966 to \$220 million for 1967—a reduction of \$145 million. The rural telephone loan ceiling would be reduced by \$12 million—from \$97 million in 1966 to \$85 million for fiscal year 1967. According to testimony presented by the Administrator of REA and other interested groups, the rural electrification system and the entire power industry is facing a record-breaking demand for power which will require large expenditures to heavy-up the carrying capacity of rural systems. Present shortages of farm labor contribute to this need.

Testimony indicates that the demand for adequate rural telephones also is growing rapidly, as increasing numbers of farmers are coming to realize that modern farms cannot be operated without efficient telephone service. The proposed budget reductions ignore this growing need and demand for electricity and telephones in rural areas. Further, the proposal to establish a plan for supplemental financing, which is given as one reason for the budget cut, is far from a reality. Even if finally approved by Congress, it is apparent that loan funds would not be available from this source during the next fiscal year.

In determining the amounts considered to be essential for these purposes for the next fiscal year, it is important that we review briefly some of the conditions facing the 194 million American consumers as well as the economic strength of this Nation at home and abroad in the years ahead.

#### FARMING NO LONGER ATTRACTIVE

The number of agricultural producers providing food and fiber for our rapidly expanding population continues to decline and is now down, as I said, to about 7 percent of the people in this country. Trained and experienced farm labor is in increasingly short supply.

Long hours of hard work, more rigorous living conditions, hazards of weather, threats from insects and diseases, increasing financial risks, and decreasing financial returns, are causing farming to become less and less attractive to each succeeding generation of young people. Fewer and fewer farm children are returning to farming as a career. More and more of their parents are moving to "greener pastures" in town as the monetary return for their labor, investment, and managerial skills decreases on the farm.

As a business venture, farming is becoming less attractive as the necessary farm investment increases and the net return on the investment decreases. Figures from the Department of Agriculture show that average farm invest-

ment has increased nearly tenfold in the past 25 years, from \$6,158 in 1940 to \$59,519 in 1965. They also indicate that the average return on farm investment, including the value of the farmer's own labor and management skills, has dropped about 40 percent during this period, from 14.2 percent in 1940 to 8.6 percent in 1965.

It is entirely understandable, therefore, why fewer and fewer people are remaining on the Nation's farms, and why some 7 percent of our population on the farms is now feeding the 93 percent of urban dwellers in addition to themselves. This undesirable imbalance can be expected to be further aggravated as movement away from agriculture continues.

According to Department figures, an average of nearly 800,000 people have left the farms in each of the last 5 years. The farm population has decreased to about 12.5 million today, compared to double that number in 1950. The 1959 census, the latest official data available, shows that some 17 percent of all farmers in the United States were 65 or older. An additional 22 percent were 55 to 64 years of age. By 1970, it is estimated that nearly half of the farmers will be 55 years of age or over.

The trend away from the farm is also evidenced by the steadily decreasing amount of land used for agricultural production. The total land planted to crops in 1950 was 353 million acres as compared to 307 million acres in 1965, a reduction of 13 percent.

#### DECREASING FOOD SUPPLIES

Despite the surplus quantities of certain commodities in this country in recent years due to the efficiency of agricultural production, it should be noted that supplies now on hand and expected to be on hand at the end of the current marketing year in the United States are down substantially from previous years. For certain perishable commodities we are looking more and more to the rather undependable Mexican production to meet our needs. In view of our present situation in Vietnam, and our heavy commitments to India and certain other food-deficit countries, this decreasing supply of food available to feed American consumers—and foreign populations to the extent possible—is a factor to be given most serious attention by those responsible for agricultural planning and financial support.

Statistical data supplied the committee by officials of the Department of Agriculture indicate that carryover stocks of wheat have been reduced from around 1,400 million bushels in 1961 to 819 million bushels as of July 1, 1965, due to limitations on wheat output and expanded utilization, particularly for export and domestic feed use. The official estimate of wheat carryover at the end of the next marketing year indicates a supply of about 610 million bushels, a further reduction of 208 million bushels. This is sufficient to meet domestic and export needs for only 5 months. Large shipments to India will further reduce our ability to meet U.S. needs in the event of a national emergency.

Further, these officials point out that the supply of feed grains was reduced



from nearly 85 million tons in 1961 to about 55 million tons in 1965. During the same period, corn supplies declined from around 2 billion bushels to about 1.2 billion bushels. The estimates of carryover at the end of the next marketing year represent a 3 months' supply of corn and barley, a 4 months' supply of oats, and a 9 months' supply of grain sorghum.

The situation is much worse for dairy products, as the number of dairy farmers decreases each year and as milk production decreases accordingly. Today's press is filled with articles showing the number of dairy farmers who are selling out their holdings as land values for industrial and residential purposes offer more opportunity for profits than dairy farming.

A recent article in the *Washington Post*—March 15, 1966—contained the following statements:

Dairy farmers who ship milk to Washington are selling their herds and going out of business at the rate of nearly 100 a year.

Rising costs and Federally-set bulk milk prices that have not risen significantly since the controls went into effect in 1958 have caught the dairymen in the profit squeeze in which only the most efficient can survive.

Other factors blamed in the reducing number of dairy farmers in the Washington area include drought conditions that have last for 4 years and the increasing value of farm land for housing developments under the pressure of urban expansion. Many of the farmers—whose average age is well over 50—have decided that they may as well retire.

The supply of dairy products on hand is now at the lowest point in recent years. As of June 30, 1965, we had 5,300 million pounds of milk and milk products on hand. The supply is expected to reduce further to 3,200 million pounds at the end of the present marketing year, a reduction of 2,100 million pounds. This represents only about a one-third month's supply for normal domestic purposes.

It is apparent that, unless we continue research and related programs to increase the efficiency of our farm production and provide the economic incentive to induce young and efficient producers to remain on the farm, food in the United States will be in increasingly short supply. The American consumer will be faced with food shortages in some items and much higher food costs generally. Further, our ability to help meet food needs essential to our foreign policy will be seriously affected.

It is also apparent that we must re-examine our national farm policies and programs which are reducing agricultural production despite increasing demands for food at home and abroad. The Federal Government is committed to annual and long-term contracts to leave land out of production, which are costing us around \$1.5 billion per year. We are still paying out large amounts under long-range conservation reserve—soil bank—contracts entered into 10 years ago. In addition, we are faced with large amounts under more recent acreage diversion and cropland adjustment programs limiting production of some of our major crops. It would seem much wiser and more beneficial to everyone to use

this money to produce ample food and supply it to the markets of the world.

#### AGRICULTURE REMAINS BASIC

In the opinion of the committee, the growing tendency to consider agriculture as a less essential part of our national economy, and to reduce funds needed for its continued support, threatens our Nation at home and abroad. It could have a serious effect on the future food supply of this country and could weaken our ability to meet our future responsibilities as a leader of the nations of the world.

History teaches us that the food-deficit countries of the world started on their decline by failing to give adequate attention to the protection and development of their basic natural resources. They failed to provide necessary protection and development through research, control of insects and diseases, conservation and other programs needed to assure the preservation of their capacity to meet the needs of their people for food, clothing, and shelter. This is true of nearly every country we aid today. We must not make the same mistake.

One of our major problems today is that, though agriculture is our best market for industry and labor, and the most economical supplier of the consumer, so few people are engaged in agriculture that its voice is weak in the legislative halls of a majority of the States and of the Nation. No longer does agriculture figure prominently in the planning of those who would appeal to the majority. This leaves a major task for those who recognize that the national welfare depends on a sound and healthy agriculture.

Many people realize the danger of a break in farm prices; but few seem to know that the real danger to our overall economy is a drop in agricultural purchasing power, which could come from a reduction in volume as well as a drop in price. And volume of production is dependent on the continuation of research, education, conservation, electrification, and improved production techniques provided for in this bill.

Many know that the few on the farm free the rest of us to provide the machines and gadgets of modern-day living; but there aren't many people who stop to realize that those who have left the farm have been replaced by machines and expensive materials, and that the man engaged in agriculture today has to have sufficient production and net income to buy the machinery, equipment, chemicals, and other materials necessary to produce efficiently. Many people now in our cities who make these products and provide these services fail to understand that they could be forced to go back to the farm, as happened in the depression of the late 1920's and early 1930's, if the few now on the farms are unable to continue to produce sufficient food to feed them.

#### PAST ACHIEVEMENTS OF AMERICAN AGRICULTURE

The efficiency of American agriculture has been a blessing to the consumers of the world. It has provided a plentiful supply of wholesome and nutritious foods which U.S. consumers have come to ac-

cept and take for granted. It has produced quantities in excess of domestic needs which have become a significant factor in our international programs of aid and assistance to the less fortunate peoples in other nations of the world.

The people of the United States for years have enjoyed a standard of living never before attained anywhere in the world because of the remarkable achievements of American agriculture.

These achievements have been made possible by cooperative Federal, State, and local efforts in the various agricultural programs of the Nation. The leadership of the U.S. Department of Agriculture, the land-grant universities, and the State and local agricultural agencies, have developed an agricultural industry in the United States which is the envy of the entire world.

As a result of our high level of efficiency in agricultural production, and certain governmental policies which have failed to make U.S. commodities competitive in world markets, this country has had supplies of commodities which have been surplus to U.S. needs during certain periods in the past several decades. National policies and farm programs have been directed toward meeting this situation. It is pointed out that, while these supplies were surplus to domestic U.S. demands, they were by no means surplus to world needs. Also, it is the opinion of many responsible officials and experts in this country that it is much better for the United States to have too much rather than too little of the things necessary to feed, house, and clothe our people. The cost of handling and storing surpluses has been small indeed, compared to the benefits to the American consumer and to the position of strength in world affairs which our agricultural production has enabled us to maintain.

#### A FIRM SUPPLY OF FOOD ESSENTIAL

Aside from the possibility of nuclear conflict, probably the foremost problem of the world today is hunger. Approximately half of the world's 3 billion people suffer from malnutrition. The World Food Congress was told in 1963 that around 10,000 persons die every day from starvation.

India had a food crisis in 1963. It has another serious food shortage today. That vast subcontinent has a year-round hunger problem; so do many other areas in the world. The present outlook is that hunger will grow more and more intense with the passage of time. The world's population increase is almost unbelievable. Each year, births exceed deaths by almost 60 million.

This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The population growth in the United States increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

The ability of this country to provide the most abundant supply of wholesome



and delicious food at the lowest cost ever known to the people of the United States—and in addition feed substantial numbers of hungry people throughout the world—has been one of our greatest strengths in meeting domestic needs and in dealing with world problems.

The failure of Communist agriculture, a failure which is chronic and deep-seated, has tremendous implications to the hundreds of millions constantly plagued by hunger. The Communist inability to produce efficiently and abundantly is due in large part to a lack of adequate and well directed research and related agricultural programs, under a system which has tied the hands of Soviet agricultural scientists.

This must not be permitted to happen in the United States. We cannot allow any change in emphasis or direction which would weaken or damage our successful research, extension, soil conservation, and marketing programs which have given this country its efficient and productive agricultural system. These basic programs of the Department of Agriculture, the land-grant colleges, and related institutions, must be continued at least at present levels.

One of the most important issues facing the Congress and the Nation at this time is the matter of assuring a continued firm source of supply of food and fiber to the American consumer for the future—and to hungry peoples in other countries to the extent possible within the financial ability of this country. The importance of this matter cannot be overemphasized.

#### COMMITTEE ACTIONS ON BUDGET

The factors discussed above all point to difficulties ahead in maintaining an agricultural production system in the United States which will assure an adequate supply of food, clothing, and shelter for a constantly increasing number of consumers who are completely dependent on agriculture for their future well-being.

The committee feels that, with U.S. commitments in Vietnam and other parts of the world, it would be a serious mistake to agree to budget reductions which would weaken our highly efficient and extremely productive agricultural industry, which forms the base for domestic prosperity and plays a major role in our foreign policy. It believes that adequate funds must be provided for the programs of the Department of Agriculture, the land-grant colleges, and related institutions, if we are to assure that basic needs of the Nation's consumers and industrial workers are met. It recognizes that a bountiful food supply, together with protection of the Nation's resources, is dependent on maintaining appropriations at least at present levels for agricultural programs which support our highly productive agricultural plan and benefit our schoolchildren and consumers generally.

The committee is unable to go along with the drastic change in emphasis and direction proposed in the 1967 budget. As outlined earlier, it has restored the proposed budget cuts, and has provided for the continuation of the various programs generally at present-year levels.

As of January 1966 these were a total of 102,383 employees in the Department, including 28,000 for the Forest Service which is not included in this bill. This leaves 74,383 employees in agencies financed in this bill, of which 13,295 are part time or temporary, and 61,088 are regular full-time personnel. This does not include some 23,000 ASC county personnel not covered in civil service reports, or State personnel of experiment stations and the Extension Service.

At the appropriate time, I expect to offer two committee amendments. One will increase the administrative funds for the Agricultural Stabilization and Conservation Service by \$2 million and the other will reduce the funds for the cropland adjustment program by \$35 million.

Also, under the bill as presented by the committee no additional passenger vehicles are allowed for the coming fiscal year. Data from the Department indicates that it had a total of nearly 30,000 vehicles as of June 30, 1965, of which about 2,600 were passenger cars and nearly 300 were station wagons and buses. Recent reports from the General Accounting Office indicate that additional vehicles are not needed.

#### RURAL COMMUNITY DEVELOPMENT

This committee has a long record of support for rural development. It has recognized the benefits to the Nation from programs to enable people to stay on the land instead of moving into the already overcrowded towns and cities, or to return to the land, while working in towns and cities. It has realized that, if the usual conveniences were made available in nonurban areas, more and more people would be attracted to live in such areas. The committee has recognized, too, the dispersion of many activities which makes rural development essential. For many years it has supported adequate funds for rural electrification, rural telephones, housing and development loans, and loans for water, recreation, drainage and other special community facilities. It has also supported efforts to encourage industrial development to provide supplemental income in rural areas.

Such rural development efforts, however, should complement established programs which enable our farm producers to feed and clothe our people with the world's lowest food cost of only 18 percent of disposable consumer income. They should not be dependent upon approval of a new organization, without a program of its own, which in the opinion of the committee, would only retard the successful efforts of the Farmers Home Administration and other action agencies.

The committee therefore takes note of the budget request of \$3,468,000 for fiscal year 1967 for personnel for the Rural Community Development Service which has no substantive program to offer. This amount is nearly 5½ times as large as the 1966 appropriation for this agency. The major part of the increase is requested for additional personnel to establish field offices in 40 States throughout the country, to work

with programs of other departments and agencies.

The committee is in favor of efforts to meet rural problems and will continue to support them. The committee believes, however, that such programs have been handled effectively in the past through the regular established agencies of the Department, which have been working successfully with rural people through the years. These old-line agencies have the funds, qualified technicians, and established field offices to meet the needs of rural areas. They can function more effectively if additional layers of supervision are not added between Washington and the rural areas to be served.

For example, the Farmers Home Administration has been in existence for 20 years. Its predecessor agencies, the Farm Security Administration and the Resettlement Administration go back to the mid-1930's. During this period, it has made an outstanding record of service to farmers and rural communities. It makes hundreds of millions of dollars of direct and insured loans and grants each year for nearly every phase of farm and rural community life. Programs and funds expected to be available in fiscal year 1967 are as follows:

	In millions
Loans to acquire, build or improve homes and service buildings on farms.....	\$390.0
Loans to assist family farmers in reorganizing and improving their farming systems.....	300.0
Loans to acquire, enlarge, or develop family farms and to provide facilities for land and water use and conservation.....	247.0
Loans and grants in areas under 5,500 population for water or waste disposal systems, and recreation, drainage, or other special community facilities.....	236.0
Emergency loans to restore farm land and facilities damaged by natural disasters.....	68.5
Technical assistance and loans to public agencies in low-income rural areas to restructure their economy.....	1.2
Total.....	1,242.7

Legislation enacted by the Congress in the past 4 years has greatly broadened the scope of the Farmers Home Administration. Not only have services to family farmers been increased, but a substantial expansion has taken place in the development of services related to rural community development and rural poverty. This agency might well be designated as the Farmers Home and Rural Development Administration.

The Farmers Home Administration has about 7,000 employees and 1,681 field offices located throughout the country. FHA county office supervisors and home management experts are located in the same rural areas in which additional personnel is proposed for the new Rural Community Development Service. These employees are experienced and trained in rural problems and have been very successful in helping low-income rural families improve their standard of living and utilize the health, education and welfare services available in their communities.

Other agencies of the Department of Agriculture, including the Soil Conserva-



tion Service, the Extension Service, the Forest Service, and the Consumer and Marketing Service have extensive field operations which are also giving attention to rural problems. Also, the Departments of Housing and Urban Development; Health, Education, and Welfare; Commerce; and Labor have large field organizations also providing financial and technical assistance to rural areas. A more detailed description of the activities of these various agencies and departments in rural areas will be found on pages 55 through 70 of part 4 of the committee hearings on the 1967 budget.

The committee for several years has approved a small force at the Washington level to "coordinate" the various programs for rural areas through the Rural Community Development Service. It has included \$637,000 for the coming year to enable this agency to continue to coordinate and expedite this phase of the Department's work here in Washington. It has provided an additional \$400,000 to the Farmers Home Administration to enable that agency to give additional attention to development of projects needed in rural areas through its existing field offices. Also, it has included money for Appalachia with the understanding that additional needs can be met from the regular programs available to all areas of the country. It has restored the proposed budget reductions for the old-line agencies to meet this and other needs of agriculture throughout the country. These nationwide programs are essential to keep other areas of the United States from facing the same conditions found in Appalachia and other low-income rural areas.

#### COMMODITY CREDIT CORPORATION

Any of you who have been here for some years know that I have made a career of trying to keep the Department and its operations throughout the world in a competitive position. We got them to export competitively for awhile, but the pressures caused them to stop. They carried out the law briefly. I say to you again that the primary reason for this \$1 billion worth of cotton that we have on our hands is because the Department refused to carry out the law.

They have promised us again that they will put our cotton surplus on the markets of the world at the world market price and cut the surplus to 3 million bales per year.

I urge the Members of the Committee to keep in mind the fact that the Commodity Credit Corporation has a right to use the proceeds of those sales to carry out its obligations. So, we have \$3.5 billion in the bill to restore the capital of the Commodity Credit Corporation. We cut the amount by \$55,855,000, since we expect them to obtain that money by selling this cotton. Mr. Chairman, this needs to be done.

Mr. Chairman, may I say that over the years during which I have been the chairman of the subcommittee this is the first time I have heard from every last Member of this body in connection with one program or another which the budget reduced or eliminated. Mr. Chairman, I have heard from the delegation of the State of New York. I mention this because it does represent one of the largest

States in our Nation, and the Members from that area urged our committee to restore the funds that we have cut.

In addition, Mr. Chairman, we had a resolution from the great State of California, signed by the dean of that delegation, urging our subcommittee to restore these cuts. Most Members of this House on both sides of the aisle have requested this committee to restore these funds designed to protect the health of the people, and meet the commitments which we have undertaken for our watershed programs, the electrification of our farms, and other essential activities. I feel we should have the support of every Member of this body in this respect.

Mr. Chairman, I do say with pride that we have done our best in this bill to restore those essential and basic programs directed toward providing our food supply and protecting our general health and welfare.

#### AGRICULTURAL RESEARCH SERVICE

The bill includes \$120,673,000 for fiscal year 1967 for the research programs of this agency. This is a decrease of \$5,286,000 in the 1966 appropriation and a restoration of \$12,693,000 to the budget request. The sum of \$750,700 to provide for pay act increases pursuant to Public Law 89-301 is included.

The amount recommended includes an increase of \$1,800,000 for staffing and operating new and expanded farm research laboratories and watershed centers previously authorized by Congress. In view of difficulties of recruiting competent research and scientific personnel, the committee has approved approximately half of the budget request for this purpose.

The committee has also included \$100,000 to undertake a research program on equine infectious anemia or swamp fever of horses. Within the past year, there have been confirmed outbreaks in nine States, including Maryland, Illinois, and Washington. The disease is a potential threat to the Nation's horse industry valued at \$3.5 billion. The Department has well-qualified scientists in this area and is especially well equipped to undertake this research. It should proceed to bring together existing data for immediate use, looking forward to a more complete research program next year.

A total reduction of \$5,561,000 is recommended in the budget, based on the proposed closing or curtailing of numerous research stations throughout the country during this and the next fiscal year. The proposed budget cut consists of three types of research reductions:

Research projects closed in fiscal year 1965 for which final closing costs were incurred in fiscal year 1966	\$159,700
Research laboratories scheduled for closing later in fiscal year 1966 (24 locations)	791,300
Research programs proposed to be eliminated or curtailed in fiscal year 1967 (70 locations)	4,610,000
<b>Total reduction proposed in budget</b>	<b>5,561,000</b>

The committee has not restored the reduction of \$159,700 for projects terminated in fiscal year 1965, since these facilities have been closed, and including

the funds would not serve to restore such activities. The balance of the proposed reduction, a total of \$5,401,300, has been restored to the bill for the projects and laboratories scheduled for closing or reduction in fiscal years 1966 and 1967, to be financed from funds transferred from section 32. A complete list of research facilities and projects restored by this action will be found on pages 354-384 of part I of the committee hearings on the 1967 budget.

In essence, the committee's action is based on its belief that it would be a serious mistake to make any reductions which would weaken the ability of our agricultural system to assure an adequate supply of food and fiber to a constantly increasing number of consumers in the United States and abroad who must depend on an efficient and productive agriculture for their future well-being.

Experience clearly demonstrates the absolute necessity of continuous research to stay ahead of threats to our food supply from grain rusts, viruses, plant diseases, drought, heat, winter kill, and other problems. Agricultural scientists have presented ample evidence to prove that our research efforts must be at least 5 years ahead of the constant threat from existing pests and their hybridized descendants. For example, a new race of wheat rust, known as 15B, appeared suddenly in this country and wiped out 300 million bushels of wheat and durum worth \$500 million in the period 1950 to 1955. Previous research on a new variety of wheat called "Selkirk" provided a stopgap crop to partially offset these disastrous losses until research could develop newer and better varieties with resistance to race 15B and other rusts which would eventually adapt and attack "Selkirk."

The bill also provides \$10,619,000 for the construction of 10 research facilities from section 32 funds, for which planning funds were provided last year and for which plans are expected to be completed during the coming fiscal year. This amount is more than offset by a decrease of \$11,418,000 for nonrecurring planning and construction funds included in the 1966 appropriation bill and not needed again in the coming fiscal year. The new facilities funded in this bill are needed to meet urgent research deficiencies in the areas of food crops, livestock production, soil and water conservation, human nutrition and consumer needs.

Grain marketing research, Manhattan, Kans.	\$3,160,000
Cereal rust research, St. Paul, Minn.	600,000
National Sedimentation Laboratory, Oxford, Miss.	935,000
Range livestock research, Miles City, Mont.	481,000
Meat animal research, Clay Center, Nebr.	3,450,000
Nutrition and consumer use research, Grand Forks, N. Dak.	583,000
Soil and water research, Pendleton, Oreg.	380,000
Pasture research, University Park, Pa.	360,000
Soil and water research, Bushland, Tex.	325,000
Barley research, Madison Wis.	345,000

**Total construction funds** 10,619,000



A larger than usual number of Members of Congress and public witnesses presented testimony to the committee this year. Many of their statements were in support of the restoration of proposed research cuts. Others were in support of additional research programs needed to meet special problems in certain areas of the country. The Administrator of the Agricultural Research Service is requested to review the hearing record and to give careful consideration to these proposals in the allocation of funds made available through this appropriation and in the use of his contingency research fund.

There appears to be an urgent need for additional research attention to improved equipment for grain grading, soybean production, tile drainage systems in southern California, mechanization of production of dates and other commodities, and many other problems. The Administrator is requested to study each of these matters, bringing together existing research data and making it available to those who need it, and to undertake as much new research as possible within the limits of available funds. It is recognized that only a small beginning can be made in the coming year. But the problems are so important and the monetary values are so great that it is imperative that a start be made next year, looking forward to the inclusion of more adequate research funds in future budgets for these purposes.

Also, consideration should be given to the resumption of a small-scale cooperative research project on rabbit breeding either at the University of Arkansas or in California. In view of the great number of small, and in many cases, retired farmers who depend on rabbit production as an important source of income, some continuing research attention to their problems is warranted.

For plant and animal disease and pest control, the committee recommends an appropriation of \$76,764,000 for fiscal year 1967, an increase of \$1,217,000 over funds provided for fiscal year 1966 and an increase of \$7,016,000 in the budget request. The full budget estimate of \$438,300 for pay costs authorized by Public Law 89-301 is included.

The proposed budget reduction of \$7,803,100 for various insect and disease control programs has been restored by the committee. The restorations are as follows:

Imported fire ant.....	\$3,303,000
Phony peach and peach mosaic.....	190,600
Soybean cyst nematode.....	523,000
Sweetpotato weevil.....	296,600
Barberry eradication.....	371,700
Golden nematode.....	320,000
Gypsy moth.....	261,800
Witchweed.....	350,000
Brucellosis.....	1,702,100
Scabies.....	484,300
<b>Total restorations.....</b>	<b>7,803,100</b>

With greater threats from insects and diseases due to increasing travel and transportation between all parts of the world, with the supplies of certain basic foods reaching low levels, with farm labor in short supply, with increasing costs of production, and with the many other problems facing agriculture and the consumer, the committee believes it unwise to reduce our efforts to keep insects and

diseases from destroying our food supply and from spreading to new parts of the Nation. It appears much more appropriate to intensify these activities in the hope of eventually eradicating these pests wherever possible.

The imported fire ant was introduced into the Mobile, Ala., area about 1920, probably from South America. By the end of 1953, the pest was known to infest 102 counties in 9 Southern States. A cooperative eradication program was initiated by the States affected and the Federal Government in 1957. The program has helped to prevent long-distance spread, has eliminated outlying infestations, and has protected other areas of the country. Crop losses and increased cost of production in infested areas fully justify continued efforts to control and eradicate this pest. Large potential losses warrant the continuation of a cooperative Federal-State program to prevent spread to the uninfested areas in the rest of the country. The Administrator is requested to plan a 3-year program to eradicate this pest if assurances of full cooperation are received from State and local authorities.

The damage to the supply of food and fiber of the Nation from the other insects and diseases for which funds for control and eradication have been restored is well documented. During the summer of 1965, 263,000 acres were defoliated by the gypsy moth in the Northeastern States and it appears that further spread is likely in 1966 unless increased control measures are taken. It has been possible to confine the golden nematode to a small area of Long Island through cooperative Federal-State control; however, a reduction in Federal participation in this effort would allow this insect to spread to potato growing areas in other parts of the country. The golden nematode has recently been discovered in Canada, which presents a new threat to potato growers in Idaho and the Northwest.

Crop losses from the soybean cyst nematode in 1965 exceeded the \$3 million loss estimated by growers in 1964, and surveys reveal infestations in 15 new counties involving nearly 100,000 acres. Until a nematode resistant variety of soybean can be developed and distributed, the present control program must be continued.

Barberry is one of the most important sources of destructive stem rust diseases of wheat and feed grains. In view of present low supplies of these important food crops in this country, and in view of possible future world food shortages, it is essential that control of cereal rusts be continued at least at present levels.

Phony peach and peach mosaic are a constant threat to the growers of peaches and other fruits in the United States. Without adequate measures to control these diseases, the fruit industry in many areas would be wiped out. Both Federal and State participation are essential for satisfactory control programs.

The sweetpotato weevil is regarded as the most important pest of sweetpotatoes and failure to control it could result in a complete loss of the crop. Federal participation in its control appears to be necessary in view of the large area of the country infested. Additional infesta-

tions have been found in several States in the past year and increased concern has developed at local levels. This control work should be kept at present year levels to protect this segment of agriculture production.

Witchweed infestation is still confined to 35 counties in North and South Carolina. Some 661 new infested properties covering 17,118 acres were found in 1965. The present program should be continued to prevent further and possibly long-distance spread.

More than 18 percent of the country, including eight complete States, has been certified brucellosis free. Over 88 percent of the Nation's counties have achieved the modified brucellosis-free status. It is essential that eradication be completed in the rest of the areas of the Nation in the shortest possible time. A reduction in Federal support would not only be unfair to States and counties where the disease has been eradicated, but it would be a most unwise backward step, which could result in the loss of funds previously invested in this effort.

According to expert witnesses, there have been 15 new cases of cattle scabies reported since the submission of the 1967 budget. The potential loss in meat production, and the loss of gains made in sheep and cattle scabies control to date, indicate the wisdom of continuing funds for this purpose at the current level.

The funds recommended in this bill also include an increase of \$600,000 for plant and animal quarantine inspection at our ports of entry. Half of this amount is provided to put USDA inspectors on the same Sunday overtime arrangement as is used for customs and immigration inspectors with whom they work side by side. The balance is to meet the ever-increasing threat to American agriculture from imported insects and diseases.

Nearly 8 million more people entered the United States during fiscal year 1965 than during the previous 12 months. Arriving 24 hours a day, 7 days a week, an increasing number of these entries are at inland ports for oceangoing vessels and interior airfields, thus increasing the hazard of quick spread of any introduced foreign pests within the country.

Indicative of the scope of the problem is the number of plant pests and prohibited plant material intercepted. During the fiscal year 1965, over 478,000 interceptions were made at ports of entry—21 percent over the average of the preceding 5-year period. More than half of these interceptions were found in the 36.6 million pieces of baggage carried into the country by 186 million persons who entered the country during the year. The remainder was found, for the most part, in the stores of planes and ships, in mail and in commercial shipments.

Air passenger traffic, as well as air cargo, continues on a steady upward trend. The growing volume of vehicular traffic from Mexico and Central America—29 million vehicles in fiscal 1965—adds to the risk of pest introduction, making it necessary to intensify efforts to prevent the entry of dangerous pests from those countries. Travel to and from Hawaii and offshore islands continues to be increasingly popular, placing addi-



tional responsibility on the inspection force to forestall the movement of several notoriously destructive pests to the mainland.

The bill also includes an additional \$100,000 for diagnosis, control, and eradication of equine piroplasmiasis and infectious anemia—swamp fever—of horses. These diseases pose a serious threat to the Nation's horse industry of the country. Diagnosis and control must be started as soon as possible in view of recent serious outbreaks in Maryland and Florida and the threat to other areas of the country.

An increase of \$400,000 is recommended in this appropriation to strengthen pesticides regulation under the Federal Insecticide, Fungicide, and Rodenticide Act. Increased concern over pesticides and pesticide regulation makes it imperative that the registration and enforcement work under the act be expanded. The increase will provide additional chemical laboratory tests at Beltsville and more field inspection in areas of high production, shipment and use of chemicals.

A proposed decrease of \$321,300 has been approved, due to the elimination of 1966 nonrecurring screwworm survey funds. This survey, which is now underway in Mexico to obtain information on screwworm infestations threatening the United States, will be completed in fiscal year 1966 and funds will not be needed in fiscal year 1967.

Planning funds for relocation of the present animal quarantine station at Clifton, N.J., have been deferred until a site can be selected.

Mr. Chairman, as you know, this committee has been intensely concerned about our pesticide problems. Two years ago, we added nearly \$27 million for additional research in this area. Last year, the committee had a full investigation made of the effects, uses, control, and research of agricultural pesticides. The final report was included in part I of the committee hearings on the 1966 budget for agriculture.

Numerous doctors and scientists were interviewed by our investigators during this study. I am pleased to include at the conclusion of my remarks today a list of those who provided information for this study and who have agreed to have their names published.

#### COOPERATIVE STATE RESEARCH SERVICE

An appropriation of \$55,227,000 is recommended for this cooperative research program of the land-grant institutions for 1967. This is the same amount as provided for fiscal year 1966, including a transfer of \$400,000 from section 32 funds for which a direct appropriation is recommended for fiscal year 1967.

The 1967 budget proposes a reduction of \$8,245,000 for payments to the State experiment stations under the Hatch Act, together with a reduction of \$2 million for grants for construction of facilities at research stations. As previously pointed out in this report, the committee has restored these amounts to last year's level. This results in a net restoration of \$7,487,000 due to an offsetting decrease for research grants.

#### EXTENSION SERVICE

The committee recommends \$89,824,000 for fiscal year 1967 for the various programs of this agency. This is an increase of \$689,000 in appropriations for fiscal year 1966 and a decrease of \$400,000 in the budget estimates.

For payments to States under the Smith-Lever Act, the full budget estimate of \$75,917,500 is provided. Also, the budget request of \$8,139,500 is recommended for retirement and employees' compensation costs for extension agents, and the estimate of \$3,113,000 for penalty mail costs is included in the bill.

The budget proposal to shift \$10 million from the formula provisions of sections 3(c) of the Smith-Lever Act to nonformula distribution under section 3(d) of that act is not approved. The language of the bill provides that the full amount included for payments to States, other than \$1,570,000 for cooperative marketing work, shall be distributed under the existing formula provisions of the Smith-Lever Act. The proposed shift in funds would have seriously affected the regular continuing extension activities at the State and county level and would have adversely affected the long-range continuity and effectiveness of the county agent system.

#### SOIL CONSERVATION SERVICE

For conservation operations an appropriation of \$109,235,000 is recommended for the coming fiscal year for technical assistance to soil conservation districts, communities and other cooperatives, and for related activities. This amount approved is an increase of \$433,000 in the 1966 appropriation and is \$215,000 over the budget estimate.

An increase of \$807,000 is included to cover pay costs in fiscal year 1967 pursuant to Public Law 89-301.

The sum recommended includes \$515,000 to provide staff assistance for an additional 18 districts which are expected to be organized in fiscal year 1967. Congress has encouraged the formation of new districts to expand soil conservation work to every area of the Nation. The provision of adequate funds to meet their needs in the early stages of their development is important to their successful operation.

The regular assistance to existing districts should be continued in the coming year and the number of technicians in predominantly agricultural areas should not be reduced to provide assistance to the new recreational type of programs.

An additional \$750,000 is provided for technical assistance in the Appalachian region. In addition to the expanded assistance specifically provided for this region by these funds, the services of the regular soil conservation technicians are available to meet the soil conservation needs in this area in the same way and on the same basis as they are provided to all other regions of the Nation. The appropriation recommended also includes \$51,000 for continuing the operation of a new plant materials center in Appalachia which provides seed and plants used for soil and water conservation purposes in the area.

The 1967 budget proposes a reduction of \$3,600,000 for soil surveys needed for

planning and technical assistance to conservation district cooperators. In view of the need to continue field mapping and publication of soil surveys as a basis for effective soil and water conservation activities, the committee recommends the restoration of \$2 million of the proposed reduction.

For the watershed planning program, the committee recommends \$6,142,000 for the next fiscal year, an increase of \$289,000 over the appropriation for fiscal year 1966. The amount provided includes an increase of \$29,000 for pay costs pursuant to Public Law 89-301. It also includes \$260,000 for watershed work plans in the Appalachian region. In addition, planning assistance is available as needed in Appalachia from the regular planning activities of this agency.

The budget proposes to reduce the number of new planning starts from 100 authorized for the current fiscal year to 50 for fiscal year 1967. Of this number, it is proposed to allocate 10 to the Appalachian area, which would leave 40 for the rest of the Nation—less than one per State.

The committee does not agree with the proposed cut in new planning starts. In view of the large number of applications for planning received to date and still waiting for planning action, it believes that the limitation on new starts should be restored to at least this year's level of 100. Figures provided by the Department show that an estimated total of 2540 applications will have been received by next June 30, with 1059 still waiting for planning to be started. As of last June 30, there were 941 applications which had been approved for planning but upon which no work had been started.

An appropriation of \$67,020,000 is included in the bill for watershed protection projects under Public Law 566 and the original pilot program. This is an increase of \$689,000 in the fiscal year 1966 appropriation and is \$461,000 above the 1967 budget. An increase of \$1,000,000 is included to accelerate river basin surveys and investigations, and \$225,000 additional is provided to meet pay costs pursuant to Public Law 89-301. These are partially offset by a decrease of \$36,000 due to completion of all but one of the original pilot projects, and a budgeted decrease of \$500,000 for watershed protection loans.

The budget proposes to reduce the funds for installation of works of improvement in Public Law 566 watershed projects by \$1,444,600. It also proposes to cut the number of new construction starts from 80 in the present year to 35 next year. Of the 35, seven are allocated to the Appalachian region, leaving only 28 new construction starts in the rest of the country for the coming fiscal year. The committee has restored the proposed reduction in funds and proposes that construction starts be restored at least to the present level of 80. With regard to the metropolitan water management project in the Tennessee-Mississippi area, such project shall include the Big Hatchie watershed in Tennessee and Mississippi in cooperation with the Corps of Engineers.

This action is taken in view of the need for additional protection of our soil and



water resources. It is also based on the constant increase in demand for this program and large number of small watershed projects which have been and are still awaiting construction.

The number of uncompleted projects which have been approved for construction is expected to increase from 503 on June 30, 1965, to 552 on June 30, 1966, and to 627 on June 30, 1967. It will also be noted that the number of new projects approved is expected to increase from 66 in 1965, to 105 in 1966, and to 120 in 1967.

The full budget of \$25,654,000 is recommended for the flood prevention watershed program for fiscal year 1967. The increase of \$83,000 is provided to meet pay costs pursuant to Public Law 89-301.

#### ECONOMIC RESEARCH SERVICE

An appropriation of \$12,032,000 is included in the bill for the next fiscal year. This is an increase of \$250,000 in the funds provided for fiscal year 1966 and is a decrease of \$515,000 in the budget request.

An additional \$200,000 is provided for economic research in the Appalachian region, which can be supplemented by the regular research program of this agency to the extent needed. An increase of \$154,000 is included for research on water management and use in agriculture, and \$96,000 is approved for pay act costs pursuant to Public Law 89-301. These increases are partially offset by a reduction of \$200,000 provided last year for a study of the food industry which will be completed in fiscal year 1966.

The need for expanded research on water management and use is reflected in the recommendation of the Federal Council for Science and Technology that Federal research be increased in all phases of water management. The Council especially cited the need for expanded research on economic aspects, which they considered to be the major deficiency in current programs. Cooperation of State experiment stations and State water resource institutes is expected in these studies.

#### STATISTICAL REPORTING SERVICE

The committee notes that this year marks the 100th anniversary of our crop and livestock estimates program. All segments of agriculture, from the producer to the consumer, benefit from the information made available through this program.

The bill includes an appropriation of \$13,272,000 for the programs of this service in fiscal year 1967. This is a decrease of \$795,000 in the 1966 appropriation and is \$162,000 below the 1967 budget estimate.

An additional \$116,000 has been approved for expansion of the long-range program for improving crop and livestock estimates, which was initiated 4 years ago to increase the accuracy and dependability of these estimates in view of their extreme value to those engaged in agriculture. An increase of \$350,000 is included for improved data collection on farm employment and farm wage rates. Recent changes in farm labor use, supply and costs make it imperative that additional data be developed to guide farmers in meeting this problem.

Also, \$86,000 has been added to cover pay act costs pursuant to Public Law 89-301.

These increases are more than offset by decreases, including reductions of \$150,000 resulting from management improvements, and \$1,197,000 provided last year for a large-scale computer which will be purchased and installed during the present year, and for which funds will not be needed in the coming year.

#### CONSUMER AND MARKETING SERVICE

For consumer protective, marketing, and regulatory programs, for the coming year, an appropriation of \$82,757,000 is recommended. This is an increase of \$5,103,000 over funds authorized for fiscal year 1966 and is a reduction of \$904,000 in the budget request.

An increase of \$3 million is recommended for meat inspection and an additional \$1 million is proposed for poultry inspection. This will provide about 275 additional meat inspectors and 85 additional poultry inspectors for the next fiscal year. Due to the continuing movement away from large packing plants in major centers, the number of meat packing and processing plants requiring inspection continues to increase.

Also, increased consumption of poultry due to population expansion, and a standard of living which permits a per capita increase in consumption, is resulting in an ever increasing volume to be inspected.

An additional \$613,000 is included to provide for cotton micronaire readings as a part of cotton classing. On June 1, 1966, the Department amended the cotton standard to require micronaire readings of fiber fineness and maturity as a part of classing, in addition to the traditional grade and staple determinations. It is estimated that about 12 million samples will be tested in the coming year, at an average cost of 5 cents per sample.

For a number of years, the committee has believed that the enforcement of the Packers and Stockyards Act could be handled more effectively by a separate unit located directly under the Secretary's office. In its report on the 1964 appropriation bill, the committee called on the Secretary to take such action. This position had been concurred in also by the Senate Appropriations Committee. In view of present problems facing the meat industry, and in view of the increasing need for the Department to assure free, open, and fair competition and fair practices in the marketing of livestock and poultry, the committee feels that this change can no longer be deferred. Accordingly, it has transferred the funds totaling \$2,400,000 for operation of the Packers and Stockyards Act from this appropriation to a separate heading later in this bill. With this transfer, it again urges the Secretary to place this unit under his direct supervision in the same way that the Commodity Exchange Authority is located.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps, and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

The proposal to reduce this program from 103 million in fiscal year 1966 to \$21 million for the coming fiscal year is one of the most drastic reductions presented to the committee in the 1967 budget. If approved, it would deny supplemental milk to about 80 percent of the schoolchildren now receiving such milk. In addition, the proposal to limit the program to needy children would place a stigma on those children to receive milk next year, which could substantially reduce the number of children who would participate.

The benefits of this program to the health and dietary habits of school children of this Nation are well recognized. Many witnesses have testified to the benefits to school attendance and an improved approach to learning by students receiving this milk free or at reduced prices.

The program has been so successful that it has been adopted in many other countries of the world. Large quantities of dried milk have been shipped abroad under our food-for-peace program for use in the schools of countries to which we are supplying aid and assistance. Further, as pointed out earlier, the number of young people turned down for military service due to physical defects resulting from nutritional deficiencies indicates the importance of continuing programs which contribute to the health and welfare of our schoolchildren.

The committee has restored the proposed budget cut by providing a direct appropriation of \$50 million and by directing the transfer of \$53 million from section 32 funds. The latest available data on the status of section 32 funds indicates that this transfer can be made without impairing the Department's ability to meet the primary purposes for which this fund was created.

For the school lunch program, the budget proposes a reduction of \$19 million in this program—from \$157 million in fiscal year 1966 to \$138 million for fiscal year 1967. If approved, this would mean an average Federal reimbursement of 4 cents per meal in lieu of the standard reimbursement of 5 cents per meal which has been used in recent years to determine appropriation levels.

The budget proposal would reduce the funds for commodity purchases under section 6 of the School Lunch Act by \$14,325,000 and would limit such purchases to the \$45 million transfer from section 32 funds. Section 6 funds have been used to purchase foods for distribution to schools participating in the program to provide well balanced and nutritional meals. This has proved to be a valuable feature of the program and has provided high quality foods at lower prices than obtainable through small quantity purchases in local communities. This feature of the program will be even more valuable in the future as the supply of commodities decreases and prices increase accordingly.

Through the years, the school lunch program has contributed much to the welfare of all our people. It has been of great value to our educational system throughout the United States. Along with the special milk program, it has contributed significantly to the health of our schoolchildren. It has taught



them proper eating habits and has improved their school attendance and study habits. It has provided the only balanced meal that some children receive each day.

As a major part of our international programs, we are doing more and more to help feed a hungry world. We are sending food abroad through Public Law 480, and we are making foreign currencies generated thereunder available in the recipient countries for programs of public assistance. As a part of our AID program, we are establishing school lunch programs in many of these countries, patterned after the program in the United States.

Believing that we cannot reduce the benefits of this program to our own schoolchildren at a time when we are planning to feed increasing numbers of people abroad, the committee has restored the funds for this program to the current year's level of \$157 million, plus the transfer of \$45 million from section 32 funds. It has provided adequate funds so that the section 6 purchases may be restored to the fiscal year 1966 level.

For the food stamp program, the bill includes the full budget estimate of \$150 million for the coming fiscal year, to be financed by transfer from section 32 funds as proposed by the budget. This is an increase of about \$50 million in the amount of funds available for fiscal year 1966.

The food stamp program is designed to benefit those families who are receiving some type of welfare assistance—primarily, the unemployables, the aged, the blind, the disabled, and mothers with dependent children. It is also authorized to help other families with incomes as low or lower than that of families receiving welfare assistance but who, for a variety of reasons, are not eligible for welfare assistance. This may include those living on small pensions, the unemployed, the underemployed, and those whose training limits them to unskilled low-paying employment.

Under the program, families must invest the money they would normally spend for food in the purchase of food stamps. In return, they receive additional stamps without charge. Thus the normal food budget continues to be spent for food and the Federal assistance results in the purchase of more food. The increase in retail food stores sales—averaging about 8 percent—in areas in which the program is operating, results in a further expansion in farm markets and acts as a stimulant to the overall economy of those areas.

During fiscal year 1966, the program is being expanded to about 1.3 million persons in approved areas throughout the country. The budget request will permit further expansion in 1967 to an estimated 570,000 needy people located in 150 or more areas. State welfare agencies request the areas in which they desire the program. With the continuing improvement in employment in larger and more industrialized areas, States have placed a priority on getting the program started in smaller and more rural areas within the State. As a result, there is a widening geographic dis-

persion of project areas within the various States.

#### FOREIGN AGRICULTURAL SERVICE

For fiscal year 1967, the committee recommends an appropriation of \$21,088,000, an increase of \$336,000 in the 1966 level of operation and a reduction of \$291,000 in the budget request.

The increase over 1966 includes \$22,000 to provide full-time professional assistance for the recruitment of U.S. nationals for posts in international organizations such as the Food and Agricultural Organization, and the Organization for Economic Cooperation and Development. This small investment to protect U.S. interests in international agricultural matters is believed justified.

An increase of \$250,000 is recommended for the Agricultural Attache Service. This would provide approximately 10 additional assistant attache positions in some of the larger and more important markets for U.S. commodities in certain areas of the world. Five of these would be assigned to Tokyo, London, Bonn, Paris, and Rome, where imports of U.S. agricultural products totaled \$2 billion in 1964, approximately one-third of total U.S. agricultural exports. Five would be assigned to growing markets in Hong Kong, Iran, Liberia, Nigeria, and Kenya. In addition, five positions are provided to permit retraining and reorientation in the United States of attaches between assignments.

A net increase of \$28,000 is included to assure compliance with Public Law 480 and to assure effective handling of funds used for market development programs. The tremendous sums of money and quantities of commodities involved in the Public Law 480 program, and the involved nature of many of the agreements with foreign countries, indicate the need for additional compliance checks and fuller protection of U.S. interests.

An additional \$66,000 is provided for pay act costs pursuant to Public Law 89-301. This is partially offset by a reduction of \$30,000 based on the unauthorized transfer to the National Advisory Commission on Food and Fiber in the current year, as discussed previously in this report.

In 1955, this committee created a sales manager for the Commodity Credit Corporation with a directive to the Secretary that a positive sales program be established within the Corporation to sell Government-owned commodities and avoid large storage and handling costs. It did not appear to be a sound method of conducting the Government's business for this \$14.5 billion Corporation not to have an aggressive sales program headed by an experienced sales manager.

It was the committee's intention that the sales manager's primary area of responsibility would be sales for dollars. It was also intended that he would have the final decision with respect to sales for dollars in preference to sales for foreign currencies, barter contracts, or similar sales arrangements.

In 1961, the sales manager was transferred to the Foreign Agricultural Service and his responsibility was limited to export sales. Further, his ability to make

final decisions on overseas sales was weakened by putting him under several extra layers of supervisors who are tied in closely with our international policies and are not in a position to make a maximum sales effort on a completely independent basis.

The committee believes that the sales organization of the Department should have far more independence of action than at present. It feels that a thorough investigation should be made by the Secretary of present sales policies, including direct sales by producer groups, the Federal Government, and larger firms. It also feels that the Secretary should order a study of methods of strengthening the operations and authority of the sales manager and his staff.

#### COMMODITY EXCHANGE AUTHORITY

The full budget estimate of \$1,398,000 is recommended for the next fiscal year, an increase of \$201,000 over the 1966 appropriation. The increase includes \$11,000 for pay act costs pursuant to Public Law 89-301, and \$190,000 for expanding trade practice investigations and market analyses.

The General Accounting Office recently reviewed the work of this agency and recommended that trade practice investigations be increased in number and frequency. Also, the steady increase in volume of market trading indicates the need for some expansion in this small agency, which has operated on a very limited budget through the years.

#### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For the operating expenses of the various programs administered by the Agricultural Stabilization and Conservation Service, the budget requested \$135,891,000 by direct appropriation and \$77,545,000 by transfer from the Commodity Credit Corporation, a total of \$213,436,000. The Committee recommends a total of \$202,361,600, including \$126,558,000 by direct appropriation and \$75,803,600 by transfer from CCC.

The appropriation recommended is \$279,500 above funds provided for fiscal year 1966, and \$9,333,000 below the budget request. The CCC transfer is \$11,691,400 less than authorized for fiscal year 1966 and \$1,741,400 below the budget estimate. The combined reduction in the amounts proposed in the budget is \$11,074,400.

As indicated earlier in my remarks, a committee amendment to be offered later will restore \$2 million of this cut to make certain that adequate funds are available to State and county offices to support their regular personnel and to do the necessary performance checking and meet their other responsibilities.

The appropriation included in the bill provides \$5 million for expenses related to the cropland adjustment program. These funds provide for conducting sign-ups, processing requests and agreements, making farm visits, and related work of this new program. A reduction of \$8,266,140 has been made in funds transferred from Commodity Credit Corporation for this purpose, as proposed in the budget. The net reduction is based on



indications that signups will be much slower than originally expected.

The committee has approved further budget reductions for this agency based on reduced workload and increased productivity expected in the coming fiscal year. These reductions include \$4,580,500 of appropriated funds and \$3,425,260 of funds transferred from Commodity Credit Corporation, a total of \$8,005,760.

The Washington and Commodity offices are expected to take their proportionate share of the reduction.

Employment and personnel practices followed during the past several years raise questions as to the operations of State and county ASC officers. A nationwide reclassification of county office managers and certain other county office personnel made during the past 2 years has resulted in an inequitable situation in certain States. A review of the number of grade increases made indicates the no uniform guide rules were followed. In several States, only 2 positions were upgraded, while the number of office manager increases exceeded 30 in 7 States and totaled 59 in one instance.

While not under the civil service classification system, these ASC county office people are considered regular Federal employees. They enjoy the fringe benefits provided to civil service personnel, including retirement, severance pay, annual and sick leave, insurance, and health protection. Their rates of pay and promotions should be handled in the same manner as for classified civil service personnel.

In view of the apparent inequities in county office reclassifications and other personnel actions, the committee urges an immediate review of the personnel practices of this agency and expects appropriate corrective action to be taken during the coming year. It appears that perhaps some change in the legislation affecting ASC county office personnel is warranted.

For the Sugar Act program, the full budget estimate of \$80 million is recommended for fiscal year 1967, a decrease of \$15 million in funds provided for the current year. The reduction is due in part to available balances from the 1966 appropriation and in part to a somewhat small production expected from the 1966 crop.

Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938-65, collections of \$2.3 billion from excise and import taxes have exceeded payments by \$545 million. Estimated collections through fiscal year 1967 of \$2.5 billion will exceed estimated payments by \$568 million.

For the agricultural conservation program, the full budget request for an appropriation of \$220 million is included in the bill to make payments earned under the 1966 program authorized last year. Amounts due are legal commitments and funds must be provided to pay all contracts entered into under the program announced the previous year.

The committee has restored the 1967 program authorization to the regular level of \$220 million—plus \$30 million for administration under the appropriation for expenses, ASCS. It should be noted that an offsetting reduction has been made in the 1967 program authorization for the cropland adjustment program.

Restoration of the ACP authorization will permit the continuation of the main support for our soil and water conservation effort throughout the Nation at present levels. It will restore funds for this purpose to the established level authorized by Congress in past years. It will prevent the elimination of essential funds needed for conservation practices in our small watershed development program. It will prevent the elimination of some 510 soil conservation technicians who are now engaged in soil and water conservation work throughout the Nation, including technical assistance in the planning and construction of Public Law 566 watershed and flood prevention projects.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

In the opinion of a majority of the members of the committee, these conservation practices represent the best possible use of Federal funds in the preservation of our soil and water resources for future generations. In addition, they provide the best possible protection for the land upon which we must depend for our present and future food production. The many problems facing agriculture, such as increasing costs, decreasing farm labor, and increasing financial risks, make it apparent that this Nation cannot afford to reduce its conservation efforts. The decreasing supplies of foods on hand, the rapidly expanding population, and the decreasing number of people on the farms, indicate that possible food shortages may face world consumers in the future, unless our agricultural production plant is protected from erosion and similar damages. With U.S. commitments in Vietnam and elsewhere throughout the world, we must continue to give adequate attention to our own natural resources to assure a firm source of supply of food and fiber to the growing populations of this country and the world.

For the Appalachian region conservation program, an appropriation of

\$2,200,000 is recommended for fiscal year 1967. This is approximately one-half of the budget request. To the extent that additional funds may be needed, the regular national programs are also available to meet the needs in this area. The regular programs have proved themselves through the years and should be of as much value to this region as to any other in the Nation.

The Food and Agriculture Act of 1962 authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 States, involving differing geographic and agricultural situations. In addition, offers have been made for a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 5,575 agreements involving 324,000 acres of cropland have been entered into.

For the coming fiscal year, the bill includes \$7,500,000 for this program, the same amount as provided for fiscal year 1966. Adequate financial support for the regular established conservation programs of the Department should obviate the need for increased funds for this special purpose.

The cropland adjustment program is a new approach to conservation authorized by title VI of the Food and Agriculture Act of 1965. Its purpose is to assist farmers, through long-term agreements, to divert land from the production of unneeded crops to uses that will promote the development and conservation of soil, water, forest, wildlife, and recreational resources.

In return for diverting the cropland to approved uses, producers receive adjustment payments. They also are eligible to receive cost-sharing assistance for establishing approved conservation uses. The period of a contract cannot be less than 5 years and not more than 10 years.

An appropriation of \$125 million is recommended in this bill for the coming fiscal year. This includes \$30 million to repay the Commodity Credit Corporation for funds advanced in fiscal year 1966, and \$95 million to finance the program during the 1967 fiscal year. The reduction of \$75 million in the budget request is based on the fact that sign-ups are going slowly and present indications are that the program will not develop as fully as planned. This amount will be further reduced by a committee amendment to \$90 million.

The program authorization for 1967 agreements for which payments are to be made in calendar year 1967 is approved at \$95 million, a reduction of \$120 million in the budget request. The committee amendment will cut this to \$80 million. A majority of the committee feels that under present conditions policies of paying producers to take land out of production is at best unsound and has contributed to our present low inventories of certain basic commodities. They also feel that future demands for food and fiber will require the eventual abandonment of programs designed to restrict



production in favor of those which will support the production and distribution of increased supplies of food and fiber to the hungry people of the world.

For the conservation reserve program, an appropriation of \$140 million is provided for the next fiscal year. This is a reduction of \$6 million below funds provided for this purpose last year. The decrease below last year is due to the expiration each year of a certain number of long-term contracts entered into under the old soil bank program.

The appropriation for emergency conservation measures provides special funds for sharing the cost of emergency conservation measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act. Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties.

The budget estimate of \$5 million is proposed for the next fiscal year. This is a reduction in funds available for the current year; however, there is no way to forecast disasters in advance of their occurrence or the extent of damage which might result. With an appropriation of \$5 million, and estimated recoveries of about \$7 million from prior obligations, funds totaling \$12 million will be available for the fiscal year 1967 to restore damages following disasters.

#### RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service was established by the Secretary of Agriculture's Memorandum No. 1570 dated February 24, 1965, to provide leadership within the Department of Agriculture in formulating plans and evaluating operations pertaining to development of natural human resources in rural communities. It formulates plans for and evaluates operations performed by operating USDA agencies in conjunction with their regular programs.

This agency was originally created in 1963, with the consent of the Congress, to function as a small coordinating and expediting unit of about 33 people with a budget of \$88,000. It was expanded to \$118,945 in 1964, \$181,872 in 1965 and \$625,000 in 1966. Shortly after it was established, 3 field offices were created. Last year it was proposed to expand it to 20 field offices. The request of \$3,468,000 for fiscal year 1967 contemplates 40 field offices and a total of 221 man-years in Washington and the field.

The committee does not agree with the tremendous expansion in personnel proposed for this agency next year. As outlined earlier in this report, it feels that the existing agencies of the Department which have established programs in operation, and which have the technical personnel and loan funds for use throughout rural America, are best equipped to provide needed assistance and guidance to rural areas through their existing field offices.

The committee agrees that a small staff in the Washington office to coordinate and expedite rural programs may be worthwhile. An appropriation of

\$637,000 is included for the Washington office of the Rural Community Development Service in fiscal year 1967. In addition, \$400,000 is provided to the Farmers Home Administration for rural area development work to be handled through its existing field organization.

As indicated earlier, the committee was surprised and disturbed to learn during the hearings that 36 employees had been recruited into positions created in various agencies of the Department and assigned to the Rural Community Development Service without notice or approval of the Congress.

#### OFFICE OF THE INSPECTOR GENERAL

The bill includes \$11,254,000 for the next fiscal year for this purpose, a reduction of \$348,000 in the budget request. The recommended increase of \$641,000 over the 1966 appropriation includes \$141,000 for pay act costs pursuant to Public Law 89-301, and \$500,000 for increased audits and investigations of the food stamp program and ASC county office activities. The food stamp program has been expanding during fiscal years 1965 and 1966 and a further increase is provided for fiscal year 1967. The financial integrity of this activity must be assured by thorough audits of its activities and by investigations and prosecutions of any abuses discovered. ASC county offices should also be checked periodically to assure the most effective conduct of the many programs administered by them throughout the country.

#### NATIONAL AGRICULTURAL LIBRARY

An appropriation of \$2,147,000 is included in the bill for library services in the coming fiscal year. This is an increase of \$412,000 in the 1966 appropriation and is \$354,000 less than requested. The increase includes \$200,000 to acquire, catalog, and maintain publications used by scientists and other personnel throughout the Department. An increase of this nature is required to enable the library to meet the needs of an ever-increasing research establishment within the Department.

An additional amount of \$200,000 is included to undertake a program of greater automation of the procedures used to provide information to researchers. It is proposed to further automate routine library functions such as ordering of publications, receiving, and recordkeeping, cataloging, and circulation of information.

An increase of \$12,000 is provided for pay act costs pursuant to Public Law 89-301.

#### RURAL ELECTRIFICATION ADMINISTRATION

For loan authorization, the 1967 budget proposes substantial reductions in the ceilings on loan funds for this agency. For rural electrification loans, the budget request cuts the amount from \$365 million for fiscal year 1966 to \$220 million for fiscal year 1967, a reduction of \$145 millions. The reduction proposed for rural telephone loans is from the fiscal year 1966 level of \$97 million to \$85 million for the next fiscal year, a reduction of \$12 million.

The committee has restored the 1966 ceiling of \$365 million for electrification loans, of which \$72.5 million has been

placed in a contingency reserve fund to enable REA to meet additional demands as needed. Also, it has approved \$97 million for telephone loans, including a \$6 million contingency reserve to meet the needs as they develop. The problems of today, with increasing shortages of farm labor, call for more electricity and telephone service, not less.

According to testimony presented by the REA Administrator, the requirements of the rural electrification systems are expected to increase 2½ times in the near future—from 47 billion kilowatt-hours in 1965 to an estimated 116 billion kilowatt-hours in 1980. This is in line with expanding needs for electricity by all segments of our population. Average monthly kilowatt-hour consumption by farm and rural consumers increased by nearly 100 kilowatt-hours in the past 4 years, to a present average of 456 kilowatt-hours per month. There are now 5.3 million consumers being served on REA lines.

With the current attention being given to the improvements of our rural economy through the development of small industries and other revenue producing enterprises in rural areas, it is essential that ample sources of power be assured to such areas. Opportunities of this nature are directly affected by the ready availability of electric power at reasonable costs. Electricity provides a vital key to better living and greater economic opportunities.

The 1967 budget contemplates a dual financing plan which would provide additional capital to REA borrowers from private sources at prevailing interest rates. It is understood that such a plan would likely apply to those REA cooperatives which could afford to meet the higher interest costs. It is also understood that 2-percent money would continue to be made available to those borrowers which could not meet the additional cost due to sparsely populated service areas or high operating costs. In this connection, it is important to realize that consumer density on REA lines is about 3.3 consumers to the mile as compared to 33 consumers per mile for the larger private utility companies.

The committee is aware of the dual financing proposal and its possible effect on the need for REA loan funds for electrification purposes. It appears unlikely, however, that such a plan, even if adopted by Congress in this session, could be put into operation rapidly enough to provide any significant amount of loan funds during fiscal year 1967.

The primary function of the rural electrification system is to provide and distribute electricity to rural and farm customers at reasonable rates. The construction of power generating facilities is a secondary function considered to be necessary to preserve the bargaining position of REA cooperatives in securing power at reasonable rates and under reasonable terms. The Administrator of REA is expected to observe these basic concepts in carrying out his responsibilities under the law. The Congress has always attempted to protect the bargaining power of the REA with respect to



negotiation of power contracts with private utility companies, through the approval of adequate loan funds to provide REA-financed power generation facilities where alternative sources of power are not available on proper terms. It charges the Administrator with the responsibility, in turn, to make certain that every reasonable and practical effort is made to secure power from private sources prior to approving loans for new power generation construction.

The rural telephone program is growing rapidly and is doing an excellent job of making service available to rural people. The expanding demand from nearly 100,000 new subscribers annually, and the need for improving and upgrading service in rural areas, has caused a steady increase in the receipt of telephone loan applications. These have grown from \$78 million in 1963, to \$102 million in 1964, and to \$112 million in 1965. Applications on hand are expected to rise to \$157 million by June 30, 1966, and \$159 million of new applications are expected in fiscal year 1967.

The committee is cognizant of this increasing demand for telephone loans and is anxious to see this service provided to all who need it on a reasonable cost basis. In view of the present demands of the Federal budget, however, it has been unable to provide all funds needed to upgrade rural service as many would like. It will continue to look with favor on the expansion and improvement of rural telephone service as rapidly as our Federal financial position will permit.

#### FARMERS HOME ADMINISTRATION

Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for farm ownership, soil and water conservation, and operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1966, it is estimated that this account will have a balance on hand of \$99,744,355. Estimated collections in fiscal year 1967 of \$333,942,000 will provide a total of \$433,686,335 for 1967 loan purposes.

From this amount, the bill includes loan authorizations of \$390 million for fiscal year 1967, including \$300 million for farm operating loans, the same amount as approved for fiscal year 1966 and the full budget estimate. It also provides \$90 million for real estate loans, including \$5 million for farm ownership loans, and \$85 million for soil and water loans.

An increase of \$55 million is included for soil and water loans, primarily for rural community water and sewer systems. Public Law 89-240 increases the single association loan limit to \$4 million and permits loans for waste disposal facilities. This has greatly increased the demand for loans to public bodies, including both direct and insured loans in 1967 which will total \$83 million—an in-

crease of \$20 million above the total of such loans in 1966.

The amount provided for farm ownership loans is a reduction of \$40 million in the 1966 authorization. In view of the increased authority available for insured loans, it is estimated that most of the demand for farm ownership loans in 1967 will be met through the use of the insured loans authorized by Public Law 89-240. It is estimated that direct and insured loans for this purpose in 1967 will total \$235 million, the same level expected for 1966.

No additional loan authorizations for land stabilization, conservation, and erosion control practices in the Appalachian region are recommended. The Second Supplemental Appropriation Act, 1965—approved April 30, 1965—provided an appropriation of \$7.1 million for this purpose. Due to the lateness of the appropriation and the fact that State programs of work were not yet approved, as required by the Appalachian Regional Development Act of 1965, no funds were used in 1965. Therefore, the full \$7.1 million is available for this purpose in fiscal years 1966 and 1967. In addition, the regular programs of the Department are also available in this region as in every other area of the United States.

For rural water and waste disposal grants, a new program was established by subtitle A of the legislation adopted last session—Public Law 89-240—to provide grants for the development of water or sewer systems in rural areas. The amount of the grant may not exceed 50 percent of the total cost of the project.

The full budget request of \$26 million is recommended for the next fiscal year, an increase of \$6 million over the amount provided in the Supplemental Appropriation Act of 1966 to initiate this program. During the present year, 531 communities have been assisted through these loans to date. It is estimated that there are a total of 30,000 rural communities without adequate water supplies.

Title X of Public Law 89-117—Housing and Urban Development Act of 1965—approved August 10, 1965, amends title V of the Housing Act of 1949 to provide for the establishment of a rural housing direct loan account. This amendment also authorizes the transfer to the rural housing direct loan account of first, all funds, claims, notes, mortgages, contracts, and property, and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the act, and second, all unexpended balances of appropriations for direct loans under title V, including funds authorized for direct elderly rental housing loans by section 515(a) of the act.

It is estimated that as of June 30, 1966, this account will have a balance of \$105,393,359. Estimated collections of \$71,599,000 in fiscal year 1967 will provide a total of \$176,992,359 for loan purposes in fiscal year 1967.

The bill provides an authorization to use \$15 million of this amount during the next fiscal year for rural housing

loans covered by this account. This includes \$10 million for building loans and \$5 million for elderly rental housing loans which have been transferred to this fund as outlined above.

The rural housing for domestic farm labor is carried out under section 516 of the Housing Act of 1949, as amended—Public Law 88-560. The program provides for sharing up to two-thirds of the total development cost of farm labor housing projects.

The full budget estimate of \$3 million is included in the bill for the coming year. This is the same amount as appropriated for fiscal year 1966. The committee intends that such grants be limited to public nonprofit organizations, and has retained language in the bill for this purpose.

The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The full budget request of \$1,200,000 is recommended for fiscal year 1967, the same amount as provided for fiscal year 1966.

For salaries and expenses, the committee recommends an appropriation for the next fiscal year of \$51,057,000, an increase of \$1,396,000 over fiscal year 1966 funds and a decrease of \$543,000 in the budget estimate. In addition, the committee has restored language in the bill which authorizes the use of not to exceed \$500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

The amount approved includes an increase of \$500,000 for servicing additional loans under the various programs assigned to this agency. With the \$500,000 authorized for transfer, a total of \$1 million will be available in the coming year for this purpose. The increase is approved first to provide real estate appraisal and engineering assistance, second, to strengthen the county office staffs working directly with applicants for loans, third, to meet the added cost of county committee expense involved in reviewing applications and certifying loans, and fourth, to meet the other related administrative costs.

The sum of \$150,000 is included in the bill to administer the conservation loan program in Appalachia. In addition, \$400,000 is provided to cover pay costs pursuant to Public Law 89-301. A reduction of \$54,000 is recommended due to unauthorized transfers, as previously described, to the Rural Community Development Service, \$42,000, and the National Advisory Commission on Food and Fiber, \$12,000.

An additional \$400,000 is provided under this appropriation to enable this



agency to handle community development projects in rural areas through its existing field offices. As outlined earlier in this report, the Committee feels that this agency is in the best position to carry out the Department's rural area development activities throughout rural America.

#### FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The committee recommends a total of \$12,492,000 for administrative and operating expenses during fiscal year 1967, \$8,342,000 by direct appropriation and \$4,150,000 from premium income. This is an increase of \$300,000 over 1966 funds and a net decrease of \$54,000 in the budget estimate. It is proposed that one-half of the increase come from appropriated funds and one-half come from premium income.

The increase is provided to extend the program to 40 additional counties in fiscal year 1967.

#### FOREIGN ASSISTANCE PROGRAMS

For Public Law 480, the bill carries the full budget request of \$1.617 million for the next fiscal year, a net reduction of \$41 million in funds appropriated for the current year. The amount recommended includes \$1,040 million for title I foreign currency sales, a reduction of \$104 million, \$200 million for title II donations, a reduction of \$98,500,000, and \$377 million for title IV long-term credit sales, an increase of \$161,500,000.

The projected decrease of title I sales of \$104 million is due to two factors—lower support prices on wheat and cotton beginning with the 1966 crop—and a decrease in ocean transportation costs due to a change in the law which will require foreign countries to finance freight costs at foreign-flag rates for shipments in U.S.-flag vessels. Previously, Public Law 480 appropriations financed the entire cost of shipments in U.S. ships.

The reduction of \$98,500,000 for title II donations results from an expected reduction in the quantity of shipments of corn, wheat, and dried milk to be made under this title in the coming fiscal year. Also, an unobligated balance of \$83 million of 1966 funds will be available in fiscal year 1967.

The increase of \$161,500,000 for long-term credit sales under title IV is due to the fact that the fiscal year 1966 appropriation is an estimated \$115 million short of meeting obligations to be incurred under the basic legislation. This amount is added to the 1967 request.

For the International Wheat Agreement, an appropriation of \$40 million is recommended for the next fiscal year. This is an increase of \$12,456,000 over the 1966 appropriation and is a reduction of \$20 million in the budget estimate. The full amount provided will be reimbursed to the Commodity Credit Corporation to cover prior year costs of this

program. CCC will continue to finance this program under its commodity export authority, in the absence of the renewal of the International Wheat Agreement Act.

No additional funds are included in the bill for bartered materials for supplemental stockpile. The Committee feels that the expected carryover of about \$28,000,000 of prior year balances should adequately finance this program in the coming fiscal year.

#### NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER

The National Advisory Commission on Food and Fiber was established by Executive Order 11256, dated November 4, 1965, to assist the President's Committee on Food and Fiber, established in the same Executive Order, to carry out its primary function of appraising existing and alternative agricultural policies and related foreign trade policies.

The Commission must submit its final report and recommendations to the committee no later than 18 months after the date of its first meeting in January 1966, and must terminate within 90 days thereafter. It is anticipated that the Commission will make its final report and recommendations in July and terminate in October, 1967.

For the coming fiscal year, the bill includes \$350,000 for the expenses of this new Commission, a reduction of \$295,000 in the budget request. The amount recommended represents an actual increase of \$150,000 over the \$200,000 made available by unauthorized transfer to establish this group during the present fiscal year.

In view of the extensive study given to our food and fiber situation by various agencies of the Department through the years, and in view of the study of the food industry by the National Commission on Food Marketing during the past 2 years, the amount proposed for this additional study should be adequate.

#### DOCTORS AND SCIENTISTS INTERVIEWED DURING SPECIAL STUDY OF PESTICIDES BY COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES

Dr. R. J. Anderson, Deputy Administrator, Agricultural Research Service, Department of Agriculture, Washington, D.C.

Dr. Robert J. Anderson, Assistant Surgeon General and Chief, Bureau of State Services, Public Health Service, Department of Health, Education and Welfare, Washington, D.C.

Dr. F. S. Arant, Head, Department of Zoology-Entomology, School of Agriculture, Auburn University, Auburn, Ala.

Dr. Alfred W. Avens, professor of chemistry, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. Daniel Banes, Food and Drug Administration, Department of Health, Education and Welfare, Washington, D.C.

Mr. W. F. Barthel, Plant Pest Control Division, Agricultural Research Service, Department of Agriculture, Gulfport, Miss.

Dr. Warren R. Battle, chairman, Department of Soils and Crops, College of Agriculture, Rutgers, the State University, New Brunswick, N.J.

Mr. A. H. Baumhover, Tobacco Insects Laboratory, Oxford, N.C.

Dr. E. W. Beck, Entomology Research Division, Agricultural Research Service, Department of Agriculture, Tifton, Ga.

Dr. Frederick Bellinger, chief, Chemical Sciences & Materials Division, Engineering

Experiment Station, Georgia Institute of Technology, Atlanta, Ga.

Dr. W. L. Bendix, State veterinarian, Commonwealth of Virginia, Richmond, Va.

Dr. Morton Beroza, Entomology Research Division, Agricultural Research Service, Department of Agriculture, Beltsville, Md.

Dr. Frank R. Blood, professor of biochemistry and director of clinical laboratories, Central Laboratory Administration, Vanderbilt University Hospital, Nashville, Tenn.

Dr. Alexej B. Borkovec, Entomology Research Division, Agricultural Research Service, Department of Agriculture, Beltsville, Md.

Prof. James L. Brann, Jr., Department of Entomology and Limnology, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. Andrew W. Breidenbach, Division of Water Supply & Pollution Control, Public Health Service, Department of Health, Education, and Welfare, Cincinnati, Ohio.

Dr. M. Alice Brown, Department of Public Health, State of California Health and Welfare Agency, Berkeley, Calif.

Dr. Marvin Brunson, field station, Department of Agriculture, Moorestown, N.J.

Dr. Philip A. Butler, director, Biological Laboratory, Bureau of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior, Gulf Breeze, Fla.

Dr. T. C. Byerly, administrator, Cooperative State Research Service, Department of Agriculture, Washington, D.C.

Dr. G. M. Cairns, dean of agriculture, University of Maryland, College Park, Md.

Dr. Douglas G. Campbell, physician, San Francisco, Calif.

Dr. J. E. Campbell, Milk and Food Research, Public Health Service, Department of Health, Education, and Welfare, Robert A. Taft Sanitary Engineering Center, Cincinnati, Ohio.

Dr. G. E. Carman, chairman, Department of Entomology, College of Agriculture, University of California, Riverside, Calif.

Dr. Howard L. Carnahan, Crops Research Division, Agricultural Research Service, Department of Agriculture, University of Nevada, Reno, Nev.

Prof. P. J. Chapman, head, Department of Entomology, Cornell University, New York State College of Agriculture, Geneva, N.Y.

Mr. Huston V. Claborn, pesticide chemicals research, Department of Agriculture Laboratory, Kerrville, Tex.

Dr. M. R. Clarkson, president, American Veterinary Medical Association, Washington, D.C.

Dr. J. W. Clayton, the Du Pont Co., Inc., Wilmington, Del.

Dr. George D. Coffee, chief, Bureau of Milk Control, District of Columbia Department of Public Health, Washington, D.C.

Dr. Donald L. Collins, New York State Science Service, New York, N.Y.

Dr. Oliver B. Cope, Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior, Denver, Colo.

Dr. H. C. Cox, director, Southern Grain Insects Research Laboratory, Entomology Research Division, Agricultural Research Service, Department of Agriculture, Tifton, Ga.

Dr. Donald G. Crosby, chairman, Agricultural Toxicology and Residue Research Laboratory, University of California, Davis, Calif.

Dr. Edwin A. Crosby, assistant director, Raw Products Research Bureau, National Canners Association, Berkeley, Calif.

Dr. Chester E. Cross, University of Massachusetts, Agricultural Experiment Station, Cranberry Station, East Wareham, Mass.

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Dr. R. A. Damon, Jr., Amherst College, Amherst, Mass.

Dr. William J. Darby, Division of Nutrition, Departments of Medicine and Biochemistry, Vanderbilt University, Nashville, Tenn.



Dr. Edward Davens, deputy commissioner, Department of Health, State of Maryland, Baltimore, Md.

Dr. T. B. Davich, director, Boll Weevil Research Laboratory, Entomology Research Division, Agricultural Research Service, Department of Agriculture, State College, Miss.

Dr. John E. Davies, director, Community Studies on Pesticides, Dade County Department of Public Health, Miami, Fla.

Dr. Joseph H. Davis, Dade County medical examiner, Miami, Fla.

Dr. George C. Decker, principal scientist and head, section of economic entomology, Department of Registration and Education, Illinois Natural History Survey, Urbana, Ill.

Dr. William B. Deichmann, professor of pharmacology and director of Research and Teaching Center of Toxicology, School of Medicine, University of Miami, Coral Gables, Fla.

Mr. James E. Dewey, extension program leader, chemicals-pesticides, New York State Cooperative Extension Service, Comstock Hall, Ithaca, N.Y.

Dr. S. C. Dorman, associate director, Biological Research Center, Stauffer Chemical Co., Mountain View, Calif.

Dr. H. L. Dunton, head, Department of Agronomy, Virginia Polytechnic Institute, Blacksburg, Va.

Dr. William F. Durham, scientist director, chief, Wenatchee Field Station, Communicable Disease Center, Public Health Service, Department of Health, Education, and Welfare, Wenatchee, Wash.

Dr. E. H. Dustman, director, Patuxent Wildlife Research Center, Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior, Laurel, Md.

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Mr. C. C. Fancher, supervisor, Southern Region, Plant Pest Control Division, Agricultural Research Service, Department of Agriculture, Gulfport, Miss.

Dr. E. F. Feichtmeir, manager, Product Application, Agricultural Research Division, Shell Development Co., Modesto, Calif.

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Dr. Arthur S. Flemming, president, University of Oregon, Eugene, Ore.

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Dr. O. E. Frye, Jr., executive director, Game and Fresh Water Fish Commission, State of Florida, Tallahassee, Fla.

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Dr. Joseph A. Luizzo, Louisiana State University, Baton Rouge, La.

Dr. William MacDonald, University of Miami, Coral Gables, Fla.

Mr. Thomas McIntyre, supervisory entomologist, Plant Pest Control Division, Agricultural Research Service, Department of Agriculture, Otis Air Force Base, Mass.

Dr. K. E. Maple, director, Agricultural Research Division, Shell Development Co., Modesto, Calif.

Dr. Fred O. Marzke, Communicable Disease Center, Savannah, Ga.

Dr. J. G. Matthyse, professor of Public Administration, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. Edward McGovran, Cooperative State Research Service, Department of Agriculture, Washington, D.C.

Dr. Robert L. Metcalf, professor of entomology, Office of the Vice-Chancellor, Academic Affairs, University of California, Riverside, Calif.

Dr. James W. Miles, Assistant Chief, Biology/Chemistry Section, Public Health Service, Department of Health, Education, and Welfare, Savannah, Ga.

Mr. John H. Milner III, entomologist, Plant Pest Control Division, Agricultural Research Service, Department of Agriculture, Otis Air Force Base, Mass.

Dr. Donald I. Mount, Division of Water Supply and Pollution Control, Public Health Service, Department of Health, Education, and Welfare, Cincinnati, Ohio.

Dr. Emil M. Mrak, chancellor, University of California, Davis, Calif.

Dr. Arthur A. Muka, professor of entomology, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. J. A. Nagele, head, Department of Entomology, Field Station, Waltham, Mass.

Dr. A. A. Nelson, Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C.

Dr. L. D. Newsom, head, Department of Entomology, Louisiana State University and Agricultural and Mechanical College, Baton Rouge, La.

Dr. H. Page Nicholson, chief, Land Drainage Studies, Southeast Water Laboratory, Department of Health, Education, and Welfare, Athens, Ga.

Dr. Arthur F. Novak, professor and chairman, Department of Food Science and Technology, Louisiana State University, Baton Rouge, La.

Dr. Bernard L. Oser, president, Food and Drug Research Laboratories, Inc., Maspeth, N.Y.

Dr. Charles E. Palm, dean, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. R. M. Parry, chief, Dairy Division, Department of Agriculture and Natural Resources, State of Connecticut, Hartford, Conn.

Dr. George W. Pearce, chief, Biology/Chemistry Section, Technology Branch, Communicable Disease Center, Department of Health, Education, and Welfare, Savannah, Ga.

Dr. M. L. Peterson, University Dean of Agriculture, Director, Agricultural Experiment Station, University of California, Berkeley, Calif.

Dr. R. D. Radeleff, veterinarian in charge, Animal Disease and Parasite Research Division, Agricultural Research Service, Department of Agriculture, Kerrville, Tex.

Dr. J. L. Radomski, professor of pharmacology, School of Medicine, University of Miami, Coral Gables, Fla.

Dr. Jack W. Ralls, research coordinator, National Canners Association, Berkeley, Calif.

Dr. Stacy B. Randle, State chemist, College of Agriculture, New Jersey Agricultural Experiment Station, Rutgers—The State University, New Brunswick, N.J.

Dr. Theron G. Randolph, M.D., 720 North Michlgan Avenue, Chicago, Ill.

Dr. J. P. Reed, associate research specialist, Department of Entomology and Economic Zoology, College of Agriculture, Rutgers—The State University, New Brunswick, N.J.

Dr. William E. Ribell, pathologist, Central Medical Department, Environmental Health Laboratory, American Cyanamid Co., Princeton, N.J.

Dr. Roy E. Ritts, Jr., M.D., American Medical Association, Education and Research Foundation, Chicago, Ill.

Dr. William E. Robbins, principal insect physiologist, Entomology Research Division, Agricultural Research Service, Department of Agriculture, Beltsville, Md.

Dr. William Rogoff, U.S. Department of Agriculture, Corvallis, Ore.

Dr. Aaron A. Rosen, in charge, Organic Contaminants Unit, Chemistry and Physics, Basic and Applied Sciences Branch, Division of Water Supply and Pollution Control, Department of Health, Education, and Welfare, Cincinnati, Ohio.

Mr. V. K. Rowe, Biochemical Research Laboratory, the Dow Chemical Company, Midland, Mich.

Mr. Boyd L. Samuels, director, Harmful Residue Laboratory, Department of Agriculture, Commonwealth of Virginia, Richmond, Va.

Dr. Mary L. Schafer, research chemist, Food Chemistry, Public Health Service, Department of Health, Education, and Welfare, Cincinnati, Ohio.

Dr. Milton Schechter, Pesticide Chemicals Research Branch, Department of Agriculture, Greenbelt, Md.

Mr. D. J. Schllessman, Public Health Service, Department of Health, Education, and Welfare, Atlanta, Ga.

Dr. H. F. Schoof, Biology/Chemistry Section, Technology Branch, Communicable Disease Center, Department of Health, Education, and Welfare, Savannah, Ga.

Dr. D. R. Shepherd, associate director, Plant Pest Control Division, Agricultural Research Service, Department of Agriculture, Hyattsville, Md.

Dr. S. W. Simmons, scientist director, chief, Technology Branch, Communicable Disease Center, Department of Health, Education, and Welfare, Atlanta, Ga.

Dr. Ray F. Smith, chairman, Department of Entomology and Parasitology, College of Agriculture, University of California, Berkeley, Calif.

Dr. Ira I. Somers, director, Research Laboratories, National Canners Association, Washington, D.C.

Dr. H. C. Spencer, Biochemical Research Laboratory, the Dow Chemical Company, Midland, Mich.

Dr. A. John Speziale, director of research, Agricultural Division, Monsanto Co., St. Louis, Mo.

Dr. A. A. Spielman, dean and director, College of Agriculture, University of Massachusetts, Amherst, Mass.

Mr. James M. Stanley, agricultural engineer, Agricultural Engineering Research Division, Agricultural Research Service, Department of Agriculture, Blacksburg, Va.

Dr. Frederick J. Stare, School of Nutrition, Harvard University, Cambridge, Mass.

Dr. Frank L. Stark, Jr., Plant Industry Research and Development, American Cyanamid Co., Princeton, N.J.

Dr. Ordway Starnes, director, New Jersey Agricultural Experiment Station, Rutgers, the State University, New Brunswick, N.J.

Dr. A. W. Steers, Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C.

Dr. Allen Steinhauer, University of Maryland, College Park, Md.

Dr. Edward A. Steinhaus, dean, Division of Biological Sciences, University of California, Irvine, Calif.

Dr. Richard D. Stewart, director, Medical

Research Division, the Dow Chemical Co., Midland, Mich.

Mr. Robert D. Sweet, professor of vegetable crops, New York State College of Agriculture, Cornell University, Ithaca, N.Y.

Dr. John E. Swift, extension entomologist, Statewide Coordinator—Pesticides, Agricultural Extension Service, University of California, Berkeley, Calif.

Dr. Clarence M. Tarzwell, chief, Aquatic Biology Section, Basic and Applied Sciences Branch, Division of Water Supply and Pollution Control, Department of Health, Education, and Welfare, Cincinnati, Ohio.

Dr. Carlton F. Taylor, professor and chairman, Plant Pathology Extension, Cooperative Extension Service, Pennsylvania State University, University Park, Pa.

Dr. James G. Telfer, director, Department of Environmental Health, American Medical Association, Chicago, Ill.

Dr. Yashura Tonada, professor of insect pathology, University of California, Berkeley, Calif.

Dr. David C. Tudor, research specialist in poultry pathology, Department of Animal Sciences, College of Agriculture, Rutgers—the State University, New Brunswick, N.J.

Mr. Neely Turner, assistant director and State entomologist, Connecticut Agricultural Experiment Station, New Haven, Conn.

Mr. Kenneth C. Walker, assistant to deputy administrator, Agricultural Research Service, Department of Agriculture, Washington, D.C.

Dr. Leon W. Weinberger, Chief, Basic and Applied Sciences Branch, Division of Water Supply and Pollution Control, Department of Health, Education, and Welfare, Washington, D.C.

Dr. Irma West, California Department of Health, Berkeley, Calif.

Dr. William E. Westlake, Department of Entomology, University of California, Riverside, Calif.

Dr. Ellsworth H. Wheeler, Amherst University, Amherst, Mass.

Dr. James R. Whitley, supervisor, water quality investigations, Missouri Conservation Commission, Columbia Fisheries Laboratory, Jefferson City, Mo.

Dr. Billy Ray Wilson, chairman, Bureau of Conservation and Environmental Science, College of Agriculture, Rutgers, the State University, New Brunswick, N.J.

Mr. Homer R. Wolfe, Public Health Service, Department of Health, Education, and Welfare, Wenatchee, Wash.

Dr. Charles B. Wood, associate professor of food technology in horticulture, Virginia Polytechnic Institute, Blacksburg, Va.

Dr. John F. Yost, director, product development and registrations, Agricultural Division, American Cyanamid Co., Princeton, N.J.

Dr. John A. Zapp, Jr., the Du Pont Co., Inc., Wilmington, Del.

Dr. Mitchell R. Zavon, associate professor of industrial medicine, Kettering Laboratory, University of Cincinnati, and assistant health commissioner, city of Cincinnati, Cincinnati, Ohio.

Dr. Gunter Zweig, chemist, College of Agriculture, Agricultural Experiment Station, University of California, Davis, Calif.

Mr. MICHEL. Mr. Chairman, I yield myself 15 minutes.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I think the chairman of our subcommittee has very aptly phrased it when he said that our subcommittee from the very beginning of our hearings was certainly placed in a straitjacket to say the least. I do not know of any budget recommendations that have come to any one of the subcommittees on appropriations where we could see clearly so many phony cuts.



The President presented a budget within certain guidelines, by cutting the popular programs—knowing full well that the Congress would raise those figures up to probably the current levels. The onus of raising the budget could then be shifted to the Congress while at the same time the President could bask in the sunshine of being a great economizer.

I must say that we will probably have more reworking of a specific appropriation bill in this subcommittee than in any other throughout the balance of the year simply because there was this variety of popular programs capriciously cut back by the administration and putting our subcommittee in this kind of a situation. We have had to take all the heat from Members of this House and from every State land-grant university; the extension services, and from thousands of school administrators, principals, teachers, PTA's and what have you for the proposed cuts in the school lunch program, the school milk program, and all the research activities around the country.

I must say, I think our chairman did an outstanding job in guiding the deliberations of the committee. Believe me, we bore down on the Department witnesses. As the chairman indicated, we have engaged in some figure juggling here by the use of section 32 funds.

The chairman has very ably pointed out to you what mechanism there is under that section where 30 percent of the custom receipts go into this fund and no more than \$300 million of this can be carried over from year to year. But we are entitled to use up the 30 percent of those custom receipts for the purposes of enhancing our exports of agricultural commodities and increasing domestic consumption of them.

Mr. Chairman, may I point out that in this transfer under section 32, we have a total of \$282 million involved.

It breaks down by categories as follows: \$150 million for the food stamp plan.

That is a significant increase over this past year. It is a program that you all authorized without my vote and we predicted the cost would increase year after year. Again I say this program is funded at a level of \$150 million and this is an answer to those who are so interested in these antipoverty programs and in getting surplus commodities to our underprivileged and destitute folks around the country.

As the chairman pointed out, so many of these items in this agricultural bill supposedly for farmers, in effect, are in many instances for the benefit of consumers and city dwellers.

The next biggest item in this transfer is \$53 million for the special school milk program.

There is \$45 million for the school lunch program.

There is \$25 million in the area of research. A \$6 million transfer of items for the Interior Department.

Then there is the Foreign Agricultural Service—a \$3 million item.

The biggest increases in this bill are:

First. The Rural Electrification Administration which was funded back up

to the level of what the current fiscal year is—or a figure of \$365 million with \$72.5 million of this amount placed in a contingency fund.

This is a \$145 million increase over the budget.

Personally, I would liked to have gone along with the President's budget estimate.

The members of this committee and this House know the position that I have taken over the years with respect to the Rural Electrification Administration, particularly with respect to the increasing amounts of money that are going into the generation and transmission area rather than into lines of distribution to the farmers. As a matter of fact, over the past several years better than two-thirds of the appropriated money for the REA has been going into the area of generation and transmission.

We will have more to say about that at a later time.

I understand the gentleman from Ohio [Mr. Bow] will offer an amendment at a later time to cut that figure, that is the figure presented to you today, back to the budget figure and I intend to support his amendment. Another significant increase here is not in appropriation but rather in an authorization under the ACP program. You all know that we pick up the tab for this year after we authorize it. We actually authorize a year ahead so that the people will know how much money they will have to play with in the coming year. The budget came up to us with a \$100 million figure, although that program has been funded in the past several years at a \$220 million figure. The subcommittee put the figure up to the going rate of \$220 million for the coming year, although I have reserved on this and will probably support a reasonable amendment to cut that figure back to the President's recommended level.

As I indicated, all told the school milk program here will have an \$82 million increase over the budget request and the school lunch program a \$19 million increase over the budget request.

In the research field, covering a variety of items, there is a \$19 million increase over the budget.

The biggest reductions that you will find in this overall bill will be in the cropland adjustment program. This is the one under which contracts of no less than 5 years nor more than 10 years are entered into. That program has not been going nearly as well as the people downtown originally had thought and conceived it would. In fact, I think a committee amendment will be offered to cut this program \$35 million more than we have shown in our recommendation here today on the basis of the most up-to-date figures received today; so rather than a \$200 million item here presented to us by the budget, we should end up with a figure of \$90 million.

I should like to point out here that one of the reasons farmers are not getting into this kind of program is due to the feeling, "Why obligate yourself to a contract for a minimum of 5 years and a maximum of 10 years when you can get into the feed grains program and some of

these direct-payment programs and in 1 year can do so much better financially.

In fact, in this Commodity Credit Corporation item you will see here a figure of \$3,500 million. That is about the amount that the Government will pay in direct payment to farmers in this coming year. Think of it.

May I point out specifically that in the year 1960 direct payments to farmers totaled \$693 million, and the net realized income of farmers in that year was \$11,600 million. Six percent of net farm income back in 1960 came from direct payments from the Government.

In the year 1965, \$2,450 million went out from the Federal Government in checks directly to farmers, and there was a net realized income throughout the country of \$14,100 million. Payments from the Government made up 17½ percent of net farmer income in 1965.

Oh, Mr. Freeman downtown is making a lot of noise these days about the big increase in farm income and a bigger net income predicted for next year. Well, let us be optimistic and give the farmers another billion dollars of realized net income next year for a figure of \$15 billion. On the strength of what the administration wants in money for direct payments, the net realized income of farmers in this year will be made up 22.3 percent from direct payments from Government. That is why net realized farm income is so high. It is coming by way of checks from Uncle Sam.

I also asked to have inserted in the RECORD, part 1, pages 106 and 107, the 10 largest recipients of payment throughout the country in a variety of categories, and they are very revealing. I call your attention to them.

For example, in 1965, under the feed grains program, of the 10 largest recipients, 6 were from California, 2 from Arizona, and 2 from Iowa, and those payments ranged all the way from \$535,561 on the top down to \$164,178 at the 10th largest one in the feed grains program.

Let us look now at the cotton program. There are five in Texas and five in Arizona. The largest payment was \$98,282. The 10th largest in the cotton program ranged down to \$38,201.

In the wheat program there were five recipients in the State of Washington, two in Montana, two in Kansas, and one in Texas. The largest payment was \$234,541. The 10th ranking one was \$48,546.

These payments were made under the agricultural conservation program, the emergency conservation program, Sugar Act, National Wool Act, conservation reserve program, and the Great Plains conservation program:

*Feed grain, cotton, and wheat—10 largest payments (pt. 1, pp. 106–107): Names of co-operators who received 10 largest payments, 1965 crop*

FEED GRAIN PROGRAM	
J. G. Boswell Co., Corcoran, Calif.	\$535,561
South Lake Farms, Corcoran, Calif.	432,698
Salzer Land Co., Corcoran, Calif.	407,432
Westlake Farms, Inc., Stratford, Calif.	284,011
Five Points Ranch, Inc., Five Points, Calif.	222,226
Colfax Co., Five Points, Calif.	176,801



Feed grain, cotton, and wheat—10 largest payments (pt. 1, p. 106-107): Names of co-operators who received 10 largest payments, 1965 crop—Continued

Amana Society, Middle Amana, Iowa..... \$173,780  
 Younker Farms, Buckeye, Ariz..... 172,046  
 Gila River Ranches, Inc., Gila Bend, Ariz..... 168,322  
 Charles Lakin, Emerson, Iowa..... 164,178

## COTTON PROGRAM

Younker Farms, Buckeye, Ariz..... 98,082  
 Arizona Farming Co., Pinal County, Ariz..... 64,466  
 Harry Moore, Navasota, Tex..... 62,798  
 Joe Hoover, Fabens, Tex..... 58,874  
 Tom Moore, Navasota, Tex..... 54,872  
 Pima Community Farms, Pinal County, Ariz..... 47,083  
 Worsham Bros., Pecos, Tex..... 43,942  
 A. K. Chims Farms, Pinal County, Ariz..... 39,093  
 L. V. L. Ranches, Maricopa County, Ariz..... 38,465  
 Clark & Roberts, Clarkville, Tex..... 38,201

## WHEAT PROGRAM

Baughman Farms, Liberal, Kans..... 234,541  
 State Department of Natural Resources, Ephrata, Wash..... 146,814  
 Campbell Farming Corp., Hardin, Mont..... 133,821  
 Lonneker Farms, Inc., Prescott, Wash..... 96,298  
 W. T. Waggoner Trust Estate, Vernon, Tex..... 94,861  
 State of Montana, Helena, Mont..... 82,228  
 Broughton Land Co., Dayton, Wash..... 61,373  
 Grote Farms Inc., Prescott, Wash..... 59,099  
 McGregor Land & Livestock Co., Hooper, Wash..... 54,572  
 W. Garvey, Colby, Kans..... 48,546

What are the latest employment figures in the Department of Agriculture? We have thrown around a number of figures. We dug into some specifics, rather than using the terminology of man-hours or man-years. We inquired as to how many specific employees there were at any given period of the year on the payroll. Let me tell you what we found. As of June 30, 1965—and this is actual, so we are not estimating—there were 79,947 full-time employees, 31,864 temporary and part-time, or a total of 111,861.

Over and above that, there were 15,104 cooperative extension people. ASC county committee, all of whom are on a payroll of some kind, not full time by any stretch of the imagination, number 104,039. Actually, in numbers of people on a roll of one kind or another in the Department, there are 231,004 people.

## U.S. Department of Agriculture employees

	Actual, June 30, 1965	Estimate, June 30, 1966	Estimate, June 30, 1967
USDA:			
Permanent full time.....	79,997	84,375	86,250
Temporary full time.....	31,864	32,400	31,850
Part time.....			
Total, USDA.....	111,861	116,775	118,100
Cooperative extension.....	15,104	14,980	14,900
ASC county committees.....	104,039	110,469	110,469
Department total.....	231,004	232,224	233,469

<sup>1</sup> Represents approximately 23,000 man-years.

With respect to the number of vehicles in the Department, you will find on page 38 of the bill under title V, general provisions, 421 passenger vehicles for replacement. But this is just part of the story.

I put the question to some of the people in the Department, How many vehicles do you have in the Department of Agriculture?

## Motor vehicles on hand as of June 30, 1965

Agency	Passenger vehicles				Trucks				Total
	Sedans	Station wagons	Ambulances	Buses	1 ton and less (4 by 2)	1 ton and less (4 by 4)	1½-2½ tons	3 tons and over	
Domestic based:									
ARS.....	1,060	85	1	6	3,022	468	291	45	4,978
ASCS.....					5		42		47
CCC.....					142	1		6	149
C & MS.....	44	16			8				68
ERS.....	12								12
FSI.....	586	132		3	8,632	1,740	860	401	12,354
SEC.....	1								1
SCS.....	853	39			10,684	345	12	2	11,935
SRS.....	23								23
Subtotal.....	2,579	272	1	9	22,493	2,554	1,205	454	29,567
Foreign based:									
ARS.....	10	1			121	19	6	1	158
FAS.....	1	1			13	21			36
Subtotal.....	11	2			134	40	6	1	194
Total.....	2,590	274	1	9	22,627	2,594	1,211	455	29,761

<sup>1</sup> Does not include Job Corps vehicles.

The total for trucks and ambulances was 29,761. That is a vehicle for one out of practically every three regular employees in the Department of Agriculture.

If we analyze and break this down in some of the other departments, I believe we will find figures that may be likewise fantastic. The gentleman from North Carolina [Mr. JONAS] has made a great to-do in some of the other subcommittees with respect to travel in Government. Here we find the Department of Agriculture in fiscal year 1966 has direct appropriations for the Department of Agriculture and Forest Service of \$38,083,000. In the coming fiscal year 1967, there will be almost \$38,200,000.

Now with respect to the Federal crop insurance item in the measure, the budget request for appropriated funds was for \$8,546,000, and our subcommittee allowed \$8,343,000. While the budget called for \$4 million from premium income, our subcommittee raised the figure to \$4,150,000.

From a personal point of view, on the basis of the testimony given to us and in light of some of the very loose practices that have been uncovered in some sections of the country with respect to the operation of the Federal crop insurance program, I would like to have seen a far bigger share of the operating costs coming out of premium income and personally would be willing to see a moratorium on any expansion of the program in the coming year until some of these loose practices have been tightened up.

For example, I would cite several indemnity payments that were made in the State of Iowa for a corn crop failure; and mind you, these indemnity payments are up in the \$7,000 and \$8,000 figure. In one case, a heavily planted 240-acre field was estimated to yield only 17 bushels an acre, allegedly due to corn stunt virus; although corn on nearby farms harvested for grain yielded from 80 to 120 bushels or more per acre.

Iowa State University reported no corn stunt virus in the State the year this indemnity was paid, and the crop was not

a complete failure at all for the farmers were big cattle feeders and simply put all corn into silage. As a matter of fact, it seems to have been a general practice in some areas for some farmers to plant their corn extra thick, knowing full well that it would not head out for a good yield but would make in the end very good silage.

There has been a cloak of secrecy which pretty well shrouds the operations of the FCIC.

Last year Mr. Luft, FCIC, said:

Information regarding indemnities paid in a county are on file in the crop insurance county office and available to interested parties from that source (pt. 3, p. 262).

This year Mr. Luft did an about-face in this exchange:

Mr. MICHEL. I am going to suggest that maybe some people have been denied and I don't mean only a Congressman asking for it. I think the general public has a right to know.

Mr. LUFT. I think what you are referring to is the denial of looking into the personal files of a farmer, an insured?

Mr. MICHEL. No; I am not talking about that. You call it personal, but it is public knowledge if the Government fraudulently pays a claim to a farmer in an indemnity payment. You can call it personal, but it is not personal, it is public business.

Mr. LUFT. Well, under a recent memo issued, which has always been the policy in our offices, we state that FCIC representatives may make information available that is posted at the courthouse. I am referring to the indemnities. But as far as the producer's file, your file and mine, you as an insured and I as a corporation, the personal forms in that file are personal property, and other than employees of the Government or perhaps a Congressman on a committee could see them, but under no condition will we release this information. This is confidential information between two parties (pt. 3, p. 202).

Then too, in part 3, page 205 of the hearings you will find a very interesting exchange between Mr. Luft and myself on the subject of advertising engaged in by the Federal Crop Insurance Corporation, which reads as follows:



*Federal Crop Insurance Corporation, advertising costs, fiscal year 1960 through 1965*

Fiscal year:	Amount
1960-----	\$805
1961-----	1,961
1962-----	18,747
1963-----	69,505
1964-----	118,045
1965-----	117,383

Cost for advertising prior to fiscal year 1960 was not maintained as a separate item of expense, since this amount was insignificant.

Mr. LUFT. This is paid advertising?

We also get a lot of public service; many people misconstrue much of the advertising that you hear and see on television, and hear on radio, and other advertising in newspapers. Much of that is public service that we do not pay for. If we paid for all of the advertising that you hear and see, I know it would be excessive.

Mr. MICHEL. Well, I am, in effect, suggesting that since it is a program that is in some competition with private industry, that if it can't be sold on its own as public service, you have no business using the taxpayers' money to advertise a program that is subsidized in part by other people.

Mr. LUFT. We do, Mr. Congressman, we do take this advertising money out of premium income.

Mr. MICHEL. But you are still asking for \$8 million appropriated money to run your program.

One could go through a number of these items and find that possibly we could have made a few more reductions. Overall, as I indicated, I know our chairman was put in a real straitjacket, as were all the members of the subcommittee. I think we have come up with a pretty good bill, although, as I have pointed out, I have reserved on the REA and the ACP, and I will have to support those amendments, when offered.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my friend from Wisconsin.

Mr. THOMSON of Wisconsin. Could the gentleman submit for the RECORD, in addition to the figure of the increased number of employees in the Department of Agriculture, a figure for the corresponding decrease in the number of farmers now occupying farms?

Mr. MICHEL. As a matter of fact, the record shows the number of farmers has been decreasing, I believe as shown in the report, in the neighborhood of 800,000 a year. The point the gentleman makes is a good one. As there has been a decline in farms and in farmers there has been a corresponding increase in the number of employees.

Mr. THOMSON of Wisconsin. Is that known as Freeman's formula for a fiscal fiasco?

Mr. MICHEL. That is the gentleman's terminology, and we will let it rest at that.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. As the gentleman knows, for quite some time I have been concerned about the cereal leaf beetle. Can my colleague advise the House what progress is being made in this connection?

Mr. MICHEL. In the budget request which came up to us in the area of research, this whole area was cut back in a number of respects, concerning which our committee was quite interested. We put back into this measure a sizable increase in research, aggregating some \$19 million throughout the bill.

I am sure we will continue the war against the cereal leaf beetle, exactly as it is necessary to do in respect to the soybean cyst nematode and the fire ant in the South and all the other pests and diseases.

A number of those are spelled out in the report.

It is ridiculous to cut back in areas such as those, in which we have made gains, and throw it all to the winds because somebody wants to look good as being a great economizer and, of course, I refer to the President himself.

Mr. CHAMBERLAIN. Can the gentleman assure me, so far as he is concerned, that there are to be adequate funds for research on the cereal leaf beetle, and that they have been earmarked?

Mr. MICHEL. I believe, because of the fact that we have had this dialog and because we intend to continue the program at the current level, that there is sufficient money to do the job.

Mr. CHAMBERLAIN. I appreciate the gentleman's assurance.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. I understand there is such a thing as a National Advisory Commission on Food and Fiber, and that the directing geniuses of it, apparently a political organization, consider what they call a modest honorarium to be \$100 a day plus expenses. Would the gentleman care to comment on that item?

Mr. MICHEL. Let me ask the chairman: Did we leave the figure at that, or cut it down to \$82?

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I am sure we provided the regular per diem of \$83 something a day. That is current throughout the Government.

Mr. MICHEL. That is right. We settled on \$82 or \$83. It is an odd figure,

but it is the acceptable figure now in a number of other bills. We did that, in order to be consistent.

I submit it is a high figure, and the gentleman may wish to make another observation about it.

Mr. GROSS. Were they allowed the more than half million dollars they wanted to run this Commission?

Mr. WHITTEN. If the gentleman will yield further, we cut that Commission \$295,000, leaving them the sum of \$350,000.

Mr. GROSS. That helps my anguish a little bit.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, I would like to ask the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN] a question. In his remarks he went into detail as to why they restored the money for the school milk program. I wonder if he would care to explain as to why the Bureau of the Budget suggested these cuts.

Mr. WHITTEN. I have never been accused of being too close to the Bureau of the Budget, so I could not answer the gentleman.

Mr. MICHEL. May I make one observation? Through the years I have been taking the floor and criticizing this program to the extent that I did not feel the Federal Government was obligated to subsidize the milk or the school lunch of my kids who are in school. We have four children. They drink 10 gallons of milk a week at the house. When they go to school I understand our two football players and basketball players drink at least a pint a day in school. They are getting a 4-cent subsidy as they pay only 1 or 2 cents for it. Now, I do not think it is right for me in my salary bracket to have this subsidy, but by the same token I do not see how there is any practical way to go to each individual school and schoolchild and say: "Let us see, Johnny. Your dad makes so many grand, you must pay the full freight, and, Jimmy, your dad makes only so much; so we are going to give you the whole bundle." Frankly, I wish there were a way to do it, but under this whole aura of civil rights bills with talk of discrimination and so forth, I do not see how you can do it on the one hand and still comply with the act and the nondiscrimination routine on the other hand.

Mr. Chairman, in view of my particular interest in the REA program I should like at this point to insert in the RECORD several appropriate tables:



## REA borrowers short of general funds requirement

REA electric borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of—			Change	REA electric borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of—			Change
	Dec. 31, 1964	Sept. 30, 1965			Dec. 31, 1964	Sept. 30, 1965	
Kandiyohi Cooperative Electric Power Association, Willmar, Minn.	57.6	59.3	+1.7	Clearwater-Polk Electric Cooperative, Inc., Bagley, Minn.	33.2	25.6	-7.6
Winnebago Rural Electric Co-op Association, Thompson, Iowa	55.8	53.3	-2.5	Pioneer Electric Cooperative, Inc., Greenville, Ala.		25.6	New
Oahe Electric Cooperative, Inc., Blunt, S. Dak.	51.7	52.0	+3	Blue Earth-Nicollet Cooperative Electric Association, Mankato, Minn.	26.5	25.4	-1.1
East Central Electric Association, Braham, Minn.	42.3	49.0	+6.7	Edgar Electric Co-op Association, Paris, Ill.	26.9	25.2	-1.7
Tricounty Rural Electric Co-op, Inc., Napoleon, Ohio	47.3	47.3		Johnson County Electric Co-op Association, Cleburne, Tex.	29.3	25.1	-4.2
Tri-County Electric Cooperative, Leesburg, Va.	43.9	43.1	-8	Mountrail Electric Cooperative, Inc., Stanley, N. Dak.	25.7	25.1	-6
Hawkeye Tri-County Electric Cooperative, Cresco, Iowa	36.2	42.4	+6.2	South River Electric Membership Corp., Dunn, N.C.	27.4	25.1	-2.3
Southern Indiana Rural Electric Cooperative, Inc., Tell City, Ind.	42.1	40.7	-1.4	Fayette Electric Cooperative, Inc., La Grange, Tex.	26.4	25.0	-1.4
North Central Electric Cooperative, Inc., Attica, Ohio	40.2	39.6	-6	Capital Electric Power Association, Clinton, Miss.	25.7	25.0	-7
Teche Electric Cooperative, Inc., Jeanerette, La.	32.1	39.6	+7.5	Lagrange County, REMC, Lagrange, Ind.	26.9	25.0	-1.9
Truhee Public Utility District, Truhee, Calif.	40.3	39.5	-8	Umatilla Electric Cooperative Association, Hermiston, Oreg.	42.2	24.9	-17.3
Norris Electric Cooperative, Newton, Ill.	38.2	39.4	+1.2	Illini Electric Cooperative, Champaign, Ill.	28.6	24.9	-3.7
Bartholomew County REMC, Columbus, Ind.	42.4	38.4	-4.0	Elkhorn Rural Public Power District, Battle Creek, Nebr.	27.6	24.8	-2.8
Shelby Electric Cooperative, Shelbyville, Ill.	37.6	38.4	+8	Southwestern Minnesota Cooperative Electric, Pipestone, Minn.	26.2	24.8	-1.6
Darke Rural Electric Cooperative, Inc., Greenville, Ohio	36.7	37.3	+6	Redwood Electric Cooperative, Clements, Minn.	20.3	24.7	+4.4
Newton County REMC, Kentland, Ind.	36.3	36.7	+4	T.I.P. Rural Electric Co-op, Brooklyn, Iowa	23.0	24.6	+1.6
Upson County Electric Membership Corp., Thomaston, Ga.	31.7	34.2	+2.5	Deep East Texas Electric Co-op, Inc., San Augustine, Tex.	25.2	24.5	-7
Midwest Electric, Inc., St. Marys, Ohio	30.0	34.1	+4.1	Overton Power District No. 5, Overton, Nev.		24.5	New
Johnson County REMC, Franklin, Ind.	34.5	34.1	-4	Federated Rural Electric Association, Jackson, Minn.	26.2	24.5	-1.7
Renville-Sibley Cooperative Power Association, Danube, Minn.	37.3	33.9	-3.4	Farmers Electric Co-op, Inc., Greenfield, Iowa	23.8	24.5	+7
North Western Electric Co-op, Inc., Bryan, Ohio	34.1	33.7	-4	The C. & W. Rural Electric Cooperative Association, Inc., Clay Center, Kans.	25.0	24.2	-8
Seward County Rural Public Power District, Seward, Nebr.	34.2	33.5	-7	Eastern Illinois Power Co-op, Paxton, Ill.		24.0	New
Rural Electric Division, Bryan, Tex.	36.7	33.2	-3.5	Butler Rural Electric Co-op, Inc., Hamilton, Ohio	22.2	23.5	+1.3
Dunn County Electric Cooperative, Menomonie, Wis.	34.8	32.8	-2.0	Piedmont Electric Membership Corp., Hillsboro, N.C.	25.2	22.7	-2.5
Chippewa Valley Electric Cooperative, Cornell, Wis.	36.1	32.2	-3.9	Traverse Electric Cooperative, Inc., Wheaton, Minn.	23.5	22.7	-8
Morrow Electric Co-op, Inc., Mount Gilead, Ohio	35.4	32.1	-3.3	D.E.K. Rural Electric Cooperative, Estherville, Iowa	21.9	22.5	+6
Taylor County Rural Electric Cooperative Corp., Campbellsville, Ky.	36.7	32.1	-4.5	Upshur Rural Electric Co-op, Inc., Gilmer, Tex.	28.3	22.4	-5.9
Brown County Rural Electrical Association, Sleepy Eye, Minn.	28.8	31.9	+3.1	Coastal Electric Cooperative, Inc., Waterboro, S.C.	21.3	22.3	+1.0
Marion Rural Electric Co-op, Inc., Marion, Ohio	28.0	31.6	+3.6	Firelands Electric Co-op, Inc., New London, Ohio	21.1	22.3	+1.2
Edgecombe-Martin County Electric Membership Corp., Tarboro, N.C.	33.1	31.5	-1.6	The Tippah Electric Power Association, Ripley, Miss.	21.3	22.3	+1.0
Allanakee-Clayton Electric Co-op, Inc., Postville, Iowa	34.4	31.0	-3.4	Lyon-Union Electric Cooperative, Inc., Tyler, Minn.	21.6	22.2	+6
Excelsior Electric Membership Corp., Metter, Ga.	35.1	31.0	-4.1	Lincoln County Power District No. 1, Pioche, Nev.		22.0	New
Mountain Electric Cooperative, Inc., Mountain City, Tenn.	32.2	30.9	-1.3	The D.S. & O. Rural Electric Cooperative Association, Inc., Solomon, Kans.	20.5	22.0	+1.5
Clay Electric Cooperative, Inc., Flora, Ill.	33.6	30.6	-3.0	People's Cooperative Power Association, Rochester, Minn.	22.4	21.9	-5
Alamo Power District No. 3, Alamo, Nev.	30.3	30.3		Corn Belt Electric Co-op, Inc., Bloomington, Ill.	22.9	21.7	-1.2
Wood County Electric Co-op, Inc., Quitman, Tex.	32.5	30.1	-2.4	The Nemaha-Marshall Electric Cooperative Association, Inc., Axtell, Kans.		21.6	
North Alabama Electric Cooperative, Stevenson, Ala.	31.1	29.7	-1.4	Humboldt County Rural Electric Co-op, Humboldt, Iowa		21.6	
The Minnesota Valley Electric Cooperative, Jordan, Minn.	29.9	29.4	-5	Taylor County Electric Cooperative, Medford, Wis.	30.6	21.5	-9.1
Rock County Electric Cooperative Association, Janesville, Wis.	28.8	29.3	+5	The Brown-Atehison Electric Cooperative Association, Inc., Horton, Kans.		21.5	
Woodbury County Rural Electric Co-op. Association, Merville, Iowa	30.6	29.3	-1.3	Shelby County REMC, Shelbyville, Ind.		21.5	
Tri County Electric Cooperative, Rushford, Minn.	29.1	29.2	+1	Logan County Co-op, Power & Light Association, Inc., Bellefontaine, Ohio	20.0	21.4	+1.4
Nobles Cooperative Electric, Worthington, Minn.	30.2	28.7	-1.5	Lincoln-Union Electric Co., Alcester, S. Dak.	22.1	21.3	-8
Rural Electric Convenience Co-op, Auburn, Ill.	30.2	28.5	-1.7	Pella Cooperative Electric Association, Pella, Iowa		21.3	
Laclede Electrical Cooperative, Lebanon, Mo.	28.4	28.1	-3	Kankakee Valley REMC, Wanatah, Ind.		21.1	
South Crawford Rural Electric Cooperative, Denison, Iowa	30.5	28.1	-2.4	Holmes-Wayne Electric Co-op, Inc., Millersburg, Ohio		21.0	
Lyon Rural Electric Cooperative, Rock Rapids, Iowa	28.1	28.0	-1	Greenwood County Rural Electric System, Greenwood, S.C.		20.9	
Goodhue County Cooperative Electric Association, Zumbrota, Minn.	29.2	27.9	-1.3	Todd Wadena Electric Cooperative, Wadena, Minn.		20.9	
Littlefield Electric Cooperative, Inc., Littlefield, Ariz.	27.8	27.8		Metlakatla Indian Community, Metlakatla, Alaska		20.8	
Cedar-Knox County Rural Public Power District, Hartington, Nebr.	27.4	27.6	+2	Washington Island Electric Co-op, Inc., Washington, Island, Wis.		20.8	
Grundy County Rural Electric Co-op, Grundy Center, Iowa	23.6	27.5	+3.9	Naknek Electric Cooperative, Inc., Naknek, Alaska	23.3	20.6	-2.7
Marshall County REMC, Plymouth, Ind.	21.4	27.4	+6.0	Guernsey-Muskingum Electric Co-op, Inc., New Concord, Ohio	21.0	20.6	-4
Union Rural Electric Co-op, Inc., Marysville, Ohio	26.5	27.3	+8	Pitt & Greene Electric Membership Corp., Farmville, N.C.		20.6	
Orange County REMC, Orleans, Ind.	31.1	27.0	-4.1	Steuben Rural Electric Co-op, Inc., Bath, N.Y.		20.6	
Eau Claire Electric Cooperative, Eau Claire, Wis.	32.3	26.9	-5.4	Coles-Moultrie Electric Cooperative, Matton, Ill.	20.8	20.6	-2
Lafayette Electric Cooperative, Darlington, Wis.	25.4	26.9	+1.5	South Central Arkansas Electric Cooperative, Inc., Arkadelphia, Ark.		20.6	
Richland Cooperative Electric Association, Richland Center, Wis.	30.0	26.8	-3.2	Tri-County Electric Cooperative Association, Inc., Lancaster, Mo.	22.0	20.5	-1.5
Ida County Rural Electric Co-op, Ida Grove, Iowa	27.8	26.7	-1.1	Cooke County Electric Co-op Association, Muenster, Tex.		20.4	
Calhoun County Electric Co-op Association, Rockwell City, Iowa	28.3	26.7	-2.4	Butler County Rural Public Power District, David City, Nebr.	20.6	20.4	-2
Morgan County Rural Electric Association, Fort Morgan, Colo.	29.8	26.6	-3.2	Covington Electric Cooperative, Inc., Andalusia, Ala.		20.4	
McLeod Cooperative Power Association, Glencoe, Minn.	24.7	26.5	+1.8	Trempealeau Electric Cooperative, Arcadia, Wis.	21.0	20.3	-7
Hot Springs County Rural Electric Association, Inc., Thermopolis, Wyo.	27.0	26.3	-7	Dairyland Power Cooperative, LaCrosse, Wis.		20.3	
Illinois Valley Electric Co-op, Inc., Princeton, Ill.	29.2	26.2	-3.0	Buchanan County Rural Electric Co-op, Independence, Iowa	21.3	20.3	-1.0
Clark Electric Cooperative, Greenwood, Wis.	25.7	26.1	+4	Rusk County Electric Co-op, Inc., Henderson, Tex.		20.2	
Frontier Power Co., Coshocton, Ohio	27.4	26.1	-1.3	Paulding-Putnam Electric Co-op, Inc., Paulding, Ohio		20.2	
Plymouth Electric Co-op Association, Le Mars, Iowa	35.1	26.1	-9.0	4-county Electric Power Association, Columbus, Miss.		20.2	
Carroll Electric Co-op, Inc., Carrollton, Ohio	29.7	25.9	-3.8	Lake Region Cooperative Electrical Association, Pelican Rapids, Minn.		20.2	
Knox County REMC, Vincennes, Ind.	26.3	25.8	-5	Fort Belknap Electric Co-op, Inc., Olney, Tex.		20.1	
Wayne-White Counties Electric Co-op, Fairfield, Ill.	23.5	25.8	+2.3	Sequachee Valley Electric Cooperative, South Pittsburg, Tenn.		20.1	
Southwest Central Rural Electric Cooperative Corp., Indiana, Pa.	27.7	25.7	-2.0	Belmont Electric Co-op, Inc., St. Clairsville, Ohio		20.1	

Last year the above list carried 148 co-ops—38 of that number have been dropped because they have fallen below 20 percent. However 28 new co-ops have

been added this year because they have risen above 20 percent and the total of compliers is 138. Little change from last year and I call again upon the admin-

istrator to bear down and get us some significant improvement in this picture for next year's record.



## REA electric loans and applications, fiscal years 1966 and 1967

	By purpose					By purpose			
	Distribu- tion	G. & T.	Consumer facilities	Total		Distribu- tion	G. & T.	Consumer facilities	Total
<b>FISCAL YEAR 1966</b>					<b>FISCAL YEAR 1967</b>				
Loans approved, fiscal year 1964.....	\$158,863,833	\$102,085,167	\$510,000	\$261,459,000	Loans approved, fiscal year 1965.....	\$150,436,564	\$229,091,436	\$445,000	\$379,973,000
Loans approved, fiscal year 1965 through Apr. 10, 1965.....	92,450,000	176,900,000	140,000	269,490,000	Loans approved, fiscal year 1966 through Jan. 31, 1966.....	68,449,827	106,870,173	230,000	175,550,000
Applications remaining on hand, Apr. 10, 1965.....	88,708,000	93,257,000	1,853,000	183,818,000	Applications remaining on hand, Jan. 31, 1966.....	94,893,000	143,333,000	1,986,000	240,212,000
Applications expected, Apr. 11, through June 30, 1965.....	51,797,000	96,565,000	474,000	148,836,000	Applications expected Feb. 1 through June 30, 1966 <sup>1</sup> .....	76,628,000	108,060,000	1,475,000	186,163,000
Applications expected, fiscal year 1966.....	190,000,000	208,000,000	2,000,000	400,000,000	Applications expected, fiscal year 1967.....	164,000,000	435,000,000	1,000,000	600,000,000

<sup>1</sup> Based on experience during 1st 6 months.

Source: Fiscal year 1966 hearings, pt. 4, p. 454, and fiscal year 1967 hearings, pt. 2, p. 163.

REA unadvanced electric loan funds  
[In millions]

Years since loan was made	G. & T. borrowers	Distribution borrowers	Total
<b>AS OF JUNE 30, 1963</b>			
3 years or less.....	\$373.1	\$287.4	\$660.5
3 to 5 years.....	39.5	49.5	89.0
5 to 7 years.....	15.2	24.3	39.5
7 to 10 years.....	10.6	6.8	17.4
Over 10 years.....	5.8	2.1	7.9
Total.....	444.2	370.1	814.3
<b>AS OF DEC. 31, 1964</b>			
3 years or less.....	390.5	285.4	675.9
3 to 5 years.....	111.7	33.6	145.3
5 to 7 years.....	18.2	15.3	33.5
7 to 10 years.....	13.5	10.7	24.2
Over 10 years.....	3.6	1.6	5.2
Total.....	537.5	346.6	884.1
<b>AS OF DEC. 31, 1965</b>			
3 years or less.....	391.9	266.3	658.2
3 to 5 years.....	142.2	23.8	166.0
5 to 7 years.....	6.8	10.8	17.6
7 to 10 years.....	24.9	12.6	37.5
Over 10 years.....	2.1	1.8	3.9
Total.....	567.9	315.3	883.2

<sup>1</sup> Includes \$64,000,000 loaned to distribution borrower for generation and transmission purposes.<sup>2</sup> Includes \$77,000,000 loaned to distribution borrowers for generation and transmission purposes.

Source: Hearings, fiscal year 1965, pt. 4, p. 46; fiscal year 1966, pt. 4, p. 470; fiscal year 1967, pt. 2, p. 166.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. BERRY. Mr. Chairman, I wish to commend the committee for its wise actions which are truly in the best interests of the American farmer.

Despite the beating that the American farmer is suffering at the hands of the Commerce Department, the Defense Department, and the Agriculture Department, the committee has refused to go along with this administration's "cheat the farmer" campaign.

Increased by the committee were the funds for the very effective school lunch and school milk programs. The committee has added \$29 million for the special milk program which places the appropriation level for fiscal 1967 at nearly the same level as this current year. School lunch program funds were increased by \$19 million over the administration's request, which is a \$19 million increase over the present level. No program in recent history has waged a more effective war on poverty in our schools and rural areas. The only thing missing

from this program is some type of fancy slogan which is probably just as well because the fancy slogan used in another assault on poverty only glosses over massive waste and maladministration.

Department of Agriculture officials predicted that school milk consumption would drop 1 billion half pints next year if the administration's plans were accepted. The obvious result would be that the Government would have to purchase more milk under the dairy price-support program, negating any real saving.

What possible justification can there be for reducing by even \$1 a program which is a vanguard against poverty when even the administration has decided to step up its efforts in rural areas? If reductions are needed in the Agriculture Department, why not cut back in funds for the Commodity Credit Corporation which has deliberately driven down prices by dumping grain on the market instead of taking the milk money? Under the phony, paper economy proposal of the administration, instead of going into children's stomachs, the milk would be powdered and stored in warehouses at Government expense.

There can be no other conclusion after analyzing the proposed cutback than that the administration has been misleading the American people at the direct expense of our farmers and young people. For years, this program has been recognized as one of great value to the general health and welfare of our children. Time and again, campaigns have been launched to encourage people to increase their consumption of milk. Now suddenly we are told that the milk program for our children is no longer of such importance.

I am very pleased to see the committee's increase for this special milk program and school lunch program.

One of the most serious proposed reductions was in money for the REA programs which were not only scheduled to be cut back by \$132 million for fiscal 1967, but also had an equal amount impounded from this year's authorization.

This is no time to cripple REA when communication lines and extensions are urgently needed to provide electrical distribution to the farms of South Dakota and the Nation. If the administration actually advanced this cut in an effort to economize, then I would recommend that we tighten our belts and go along, but while he proposed to cut the heart out of REA and the farmer generally, he

asked for millions to pay the rent for city dwellers whose incomes vastly exceed the annual incomes of most farmers.

The committee has increased loan authorizations for the REA by \$145 million and for the RTA by \$12 million. This action restores the appropriation for these programs to the full 1966 level.

One of the oldest Federal grant programs is that to land-grant colleges. The recommended cut of \$12 million in this program would have seriously affected many State colleges and universities. The fallacy of this reduction was especially apparent at this time when there is a need to increase the number of competent agricultural specialists.

Fortunately the committee has averted tragedy which would have resulted from these reductions and increased Cooperative State Research Service funds by \$7.5 million. This figure is slightly higher than the 1966 appropriation.

One of the major actions of the committee is also most fortunate. In the President's budget, the number of new starts on watershed planning and construction projects were limited to 50 and 35 respectively. The committee has recommended that these be increased to their present number which would allow 100 new planning starts and 80 new construction starts. The committee has also increased planning funds by \$289,000 over the 1966 level and has increased construction funds by \$689,000.

Previously, I introduced legislation which would unlock some of the funds for 1966 appropriations for these programs and restore the number of new starts to their current level. Therefore, this action by the committee is most welcome.

The funds for consumer protection and marketing programs have been increased by more than \$5 million. This increase includes \$2 million for meat inspection and \$1 million for poultry inspection. As more meat packing centers are opened the demand for inspectors has increased. In my district, for example, one medium sized plant has had to pay for its own inspection simply because it is far from a large packing center. This increase will alleviate this problem and offer the American consumer both greater protection and a better guaranteed standard of living.

The American farmer has been forgotten by everyone, it appears, except



the House committee. Again I wish to commend the committee for its actions.

I also wish to highly commend Chairman WHITTEN for his statement and agree completely with his view that congressional checks must be maintained over these long-established and effective programs. As the chairman pointed out, the programs under the control of congressional allocation formulas were cut by the administration, whereas the programs handled by the executive branch administrators were greatly increased in the President's budget. It is reassuring to know the Appropriations Committee has seen through this fakery and has exercised its belief that the American farmer should not be the Great Society's whipping boy just because he has less voting power than the urban areas of the country.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to my colleague on the committee, the gentleman from Kentucky [Mr. NATCHER].

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriations bill for the Department of Agriculture.

We recommend a total appropriation of \$6,909,027,000 for the fiscal year 1967. This is a reduction of \$113,611,000 in the total budget requests which called for \$7,022,638,000.

This bill provides the necessary funds for the operation of the Agriculture Department's activities. More than half of the total amount appropriated in the bill applies directly to benefits for the consumer. This bill contains money both for agriculture and services for consumers. We provide the necessary funds for our milk, school lunch, food stamp, and direct distribution of food to the needy programs.

We make adequate provision in the bill to continue our expanded tobacco research program. Several years ago we decided that additional research in tobacco was necessary. Realizing that this is a \$10 billion industry, it was agreed that more research was necessary. In 1960 the sum of \$250,000 was appropriated for additional tobacco research. At this time the Commonwealth of Kentucky appropriated the necessary funds to construct a laboratory building to cost \$4½ million. In addition, the legislature appropriated \$50,000 additional funds for tobacco research. It was agreed that since the facilities were furnished at no cost to the Federal Government a new tobacco research facility would be established at the University of Kentucky in Lexington, Ky. Here we are today operating a very thorough research program and I sincerely believe that the benefits to be derived from this research will more than offset its cost. Twenty-one of our States produce tobacco and over 700,000 families are involved in the production of this commodity. Since the report of the Surgeon General, a number of developments have taken place that have caused our people some concern regarding the use of tobacco.

At the University of Kentucky we have a program underway to discover if tobacco and smoking result in the release of compounds which can cause serious physical and physiological problems to the user. Up to this time no one has discovered the compounds that may be concerned. Research is underway which will ultimately, we hope, discover and make a complete inventory of the chemicals that are present in the cured tobacco leaf and follow this process on through the burning process from the smoking of tobacco. In addition, tests are underway through a biological testing procedure to separate and test each of the compounds and to determine what effects, if any, they have upon experimental animals. When any compounds are discovered that are suspicious, then the attention of those in charge of this program will be directed to the different tobacco breeding stocks to discover which of the stocks is completely deficient or low in such compounds. We thereby, through the breeding process, after such discoveries, can produce tobacco which will contain none or substantially little amounts of any detrimental compounds which are identified. Three-fourths of the money contained in this bill for tobacco research will be devoted to the health related aspects of the tobacco problem.

This bill provides adequate funds for our Extension Service. Cooperative agricultural extension work was established by the Smith-Leber Act of May 8, 1914, as amended. This legislation authorized the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications and otherwise to persons not attending or resident in the colleges. The basic job of the cooperative extension service is to help people identify and solve their farming, home and community problems through use of research findings of the Department of Agriculture and the State land-grant colleges. We know that our State and county extension work is financed from Federal, State, county and local sources. In using these funds we employ our county agents, home demonstration agents, 4-H Club agents and State specialists who conduct the joint educational programs adapted to local problems and conditions.

Our Extension Service is recognized to be the world's largest and most successful system of informal education oriented to help people solve their problems and to develop opportunities in their homes, businesses and their communities. Our Extension Service has achieved very effective results throughout our land, with a minimum of cost. During the year of 1966 our Extension programs reached directly more than 8,715,000 homemakers and many millions of others indirectly through mass media and indirect contacts. Our Extension agents worked directly with more than 3,800,000 farmers and 699,000 operators of agricultural marketing firms. The work of our Extension agent is more important today than ever be-

fore. This is one of our successful programs in agriculture and under no circumstances should we permit this program to be eliminated.

This bill makes adequate provision for our Soil Conservation Service. We have restored most of the funds reduced by the Bureau of the Budget for our Soil Survey Service which, by the way, has become more important each year. As we all know, our Soil Conservation Service was established in 1935 and this is the Service that assists soil conservation districts and other cooperators, watershed groups and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis and reduce damages by floods and sedimentation. The major programs carried out by our Soil Conservation Service are in our conservation operations, watershed planning, watershed protection; flood prevention; Great Plains conservation and resource conservation and development activities. The amount recommended for this Service is \$228,510,000, which is \$1,525,000 over the amount appropriated for fiscal year 1966.

For Agricultural Research Service we recommend the sum of \$197,437,000.

For Agricultural Stabilization and Conservation Service we recommend \$706,258,000. This is an adequate amount to carry this Service through the fiscal year of 1967.

We have restored the necessary funds for our special milk and school lunch programs. Certainly there should be no reduction in these two programs at this time.

Mr. Chairman, our committee recommends this bill to the Members of the House.

Mr. MICHEL. Mr. Chairman, I am glad to yield 15 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, it is highly heartening to see a bill before us that does not bear the stamp, "Written in the White House." This is a rare, but welcome, experience for those of us who have witnessed a long parade of legislation that was conceived downtown, written downtown, and for all practical purposes, passed downtown. But today we have a rare opportunity to regain a bit of control in the legislative branch of our Government, to put a little spunk back into Congress, and let the people's voice again be heard. It is a good feeling, and I hope it is but a harbinger of things to come. This is an encouraging day for the farmers, consumers, and the Congress.

As we all know, the bill under consideration today represents a substantial change from the budget recommendations submitted by the administration, restoring most of the programs slated for reduction by the budget recommendation, and cutting elsewhere on items considered in the committee's wisdom to be less essential to the future of American agriculture and the U.S. consumer.



I will not spend much of my time today in reiterating the points discussed in the committee report, since I am confident our distinguished chairman of the Agriculture Appropriations Subcommittee, Mr. WHITTEN, and the distinguished ranking minority member of that subcommittee, Mr. MICHEL, have presented persuasive facts and figures along those lines. They are to be highly commended for their diligent work on this bill, and it was a distinct pleasure to have had the privilege of serving with them on the subcommittee.

Perhaps we are quite familiar with the fact that this bill restores the funds for valuable research in insect control, plant and animal diseases, and research work at land-grant colleges. The long-range continuity and effectiveness of the county agent system has been restored. Funds are here for water and soil pollution control even though the budget recommended less attention to the protection and development of our watersheds. Activities of the important Soil Conservation Service have been maintained. The growing need and demand for electricity and telephones in rural areas is recognized in this bill. And we have recognized that the lack of nutritious and well-balanced meals is not restricted to families in just the lower-income brackets, by restoring the school milk and school lunch funds.

To have allowed these programs to be reduced or eliminated would have made a mockery out of the actions of past Congresses that rightly started these programs and saw them grow into successful operations. Research that was needed last year and the years before, is needed even more today. School milk and lunches, providing needed nutrition to millions of youngsters, do not suddenly outlive their usefulness. To have acted otherwise would have been tragic for the future.

The committee report sums it up succinctly by stating:

If the committee and the Congress were to follow the recommendations of the 1967 budget for the Department of Agriculture, our whole economy would be endangered, as would our international commitments. If such a policy as the administration advocates were followed for only a few years, the United States would likely be a food deficit country instead of one of abundance.

Before proceeding further, it is wise to ponder a moment on the purpose of the appropriation we are making today, and its relationship to the Department of Agriculture. First of all, these moneys should provide for a healthy American agriculture, assuring some fair level of security for those who produce our Nation's food and fiber. And secondly, our investment in the Department of Agriculture should provide an adequate, high-quality supply of food for our people, at reasonable prices.

Mr. Chairman, the budget recommendations did not sustain either one of these objectives. In fact, the budget was a threat to the farmer because the moneys appropriated would too often be used to control the prices he receives. And it would be a threat to the consumer of the future because the research necessary

to provide the food of tomorrow would have been curtailed. The bill before us today has rectified many of these deficiencies.

When a committee of Congress is at as much variance with administration requests as is apparent in this bill, there appear serious questions as to why the differences exist.

Some have said that the administration has no intention of scuttling the tried and proven programs that were slated for reductions under the budget; that the administration was confident that Congress would restore the funds, putting the "spending" label on Congress rather than itself. If such an explanation is true, then it is a cruel game to be playing with this Nation's greatest natural resource, agriculture. At best it is a brazen attempt to finance new and untried spending schemes at the expense of this Nation's future food supply.

Perhaps this battle of direction and purpose started a number of years ago, such as was revealed in our discussion on this floor a year ago when another agriculture appropriations bill was being debated. Some of these same budgetary reductions were in that bill, and also were restored, which should have given them some sort of indication on the mood of Congress in the matter. I recall saying at that time, during the discussion on the value of crop research and its relationship to today's abundance:

We can go back all the way to the 1920's, and certainly it was true in the 1930's, that the wheat rust epidemics were so bad that many burned entire fields of wheat because they were not worth harvesting. Now, had our research people not been able to produce new rust-resistant varieties, and to have done so consistently and periodically with the cycles that are characteristic of rust, this Nation would not be producing any wheat today. The same is true of almost every crop you can think of.

Plant and animal diseases are never completely conquered. History has provided too many examples of age-old crop diseases being conquered, only to reappear in hybridized form later. Only continuing research can keep our crops, hence our food supply, free of disease and pestilence. As the report on this bill so aptly puts it, history teaches us that the food-deficit countries of the world started on their decline by failing to give adequate attention to the protection and development of their basic natural resources. This is true of nearly every country we aid today. We must not make the same mistake.

Dr. O. Meredith Wilson, president of one of our great land-grant institutions, the University of Minnesota, recently wrote:

As an historian I think the record is clear: American achievements in agriculture are our most impressive achievements and perhaps our strongest weapons against propaganda of Communist countries. I find it hard to understand why Federal policy would want to abandon a clearly successful policy which has given us unquestioned leadership for other policies where our leadership is still in dispute.

I, too, find it hard to understand why Federal—administration—policy would want to abandon a clearly successful

policy, were it not for the number of instances in which their attitude has not been in the best interests of American agriculture. All we have to do is look at the record.

This administration, Mr. Chairman, has consistently used its power to effectively keep a lid on needed farm income and depress farm prices. And then when the cost of living goes up, this administration completely ignores the costs of labor, packaging, and all the other expenses connected with food, and lays the blame on the farmer who represents the smallest part of the American food dollar.

While the Secretary of Agriculture was expressing pleasure over dropping farm prices, his statistical reporting services in his Department were forecasting lower farm income for the remainder of the year. However, the Department's Economic Research Service's "Farm Income Situation" report for April of 1966 reported gleefully that "the Nation's farmers likely will enjoy one of their most prosperous years in 1966. Realized net farm income this year probably will be up about a billion dollars over the \$14.1 billion estimated for 1965."

But, do not stop reading, because in the very next paragraph it says:

Government payments to farmers are expected to rise by close to a billion dollars over last year's total of \$2.5 billion reflecting changes in farm programs.

So there you have it, Mr. Chairman, a frank admission that the billion-dollar increase in realized net farm income for the year, if it materializes, will be due to Government payments, not an improved market situation. It then becomes readily apparent that the market prices of farm commodities are not solely to blame for the rise in the cost of living. There are plenty of other reasons for the rise in the cost of living, such as the administration's continuing inflationary fiscal policies.

Exploring the farm income situation a bit further, it is interesting to note that in 1960 Government payments represented only 5.9 percent of net farm income, but represented 23.3 percent in 1966.

The truth of the matter is that the American farmer is still living on but about 60 percent of the income his city cousins get, and that market prices for his products remain at low levels, with this administration making particular effort to keep them there.

It has been through the Department of Agriculture, which is supported by the moneys we appropriate today, that this administration has manipulated and controlled the farm marketplace to successfully beat down farm prices and keep them at depressed levels.

Huge quantities of Government-owned grain have been dumped on the market in an effort to depress both grain and livestock prices. Commodity Credit Corporation wheat has been used to depress prices, and often just the threat of such a Government sale has caused prices to nose-dive. Large amounts of corn have been sold from CCC bins. In fact, they have cleaned out the elevators in



many areas where there is a real demand for feed, thus adding to the cost of supplying feed corn from long distances. To show the true intent of such corn sales by the CCC, you had only to note the confession by the Chairman of the President's Council of Economic Advisors on nationwide television on March 10 that the heavy corn sales were made to "hold down the price of corn. The Government's acquired large stocks of corn in its past price support operation, now we are releasing them into the market."

Even the Secretary of Agriculture, who calls charges of CCC dumping "political noise," admitted last year before the House Agriculture Committee that the purpose of heavy CCC feed-grain sales in 1961-62 was "to move our prices down far enough so that they would be way below the support level, the loan level, so that we could thereby get compliance."

This administration has moved in other agricultural areas, as well. For instance, prices to thousands of domestic sugarbeet and sugarcane growers are being held down by opening the door to unlimited imports of foreign sugar during the remainder of the first two quarters of this year. The prospect of expanded dairy imports is a factor in that industry, with the price of milk, butter, and cheese being forced downward. Prospects for the dairy industry would have been even worse if the administration had succeeded in cutting the heart out of the school milk program. It could have resulted in a decrease of a billion half pints of milk a year with the resulting lowering of prices, and represents another obvious maneuver to control the prices of dairy products.

Many of us noted the abrupt action to take pork and butter from the tables of our boys in service. The result, of course, reduces the farm price on these commodities. It seems inconceivable that it could be more important to hold down farm prices than to adequately provide a proper diet for our fighting men.

The beef industry also discovered how the administration operates to limit income. Only this time the tables were turned from imports to exports. Just 2 years ago when heavy cattle imports glutted the U.S. market and low prices were forcing many cattlemen to the wall, Secretary of Commerce Hodges advised the farmers to "quit whining" and go out and look for new foreign markets for beef and beef products. Livestock producers carefully built up an export market for hides used in leather products such as shoes. Prices on hides went up, but were still comparatively low when the Commerce Department, with no objection from the Agriculture Department, ordered exports restricted. The result was an immediate drop in hide prices to American producers.

The irony of the cattle hide story is that the export restrictions were justified by the administration to forestall a rise in the price of shoes in the United States. Shoe prices are going up anyway, which is ample proof of the folly followed by this administration in attempting to control farm prices as a means of controlling the prices of finished products.

Mr. Chairman, it occurs to me that contained in the bill before us are the very moneys that the Department of Agriculture will subsequently use to further depress farm prices, such as the funds with which to operate the Commodity Credit Corporation. It kind of makes me wonder if we should trust the Department with a single penny of the \$6.9 billion figure on this package if they are going to continue using it to depress farm income. There also is a question of how wise it is to appropriate \$3½ billion with which to pay our farmers under the support and retirement programs when whatever money they get will be offset by that same Agriculture Department's efforts to depress his markets.

The Department of Agriculture figures show that average prices received by farmers for the commodities they market were 13 percent lower in February 1966, than they were in the same month of 1951. On the other hand, Bureau of Labor Statistics figures show that in 1951 it took \$9.54 to buy at retail the same food items and amounts which today cost \$11.10, an increase of more than 16 percent. With farm prices down 13 percent and retail food prices up 16 percent, clearly the villain is not the farmer. I suggest the real culprit is this administration's inflationary policies.

Mr. Chairman, the obvious efforts to control and restrict farm prices and income is completely inconsistent with the purposes and objectives of the farm programs. Our farm programs, with price supports and diversion payments, are designed to create and maintain adequate market prices and have as their objective the principle of parity for our farmers. But the administration nullifies the gains made by the farm programs in a deliberate effort to restrict and control prices. The bill reported by the committee seriously questions the propriety of the Department of Agriculture working for and against agriculture at the same time, raising the question of whether past moneys have been properly expended. To have adopted the administration's recommendations would have only contributed further to the confusion and would have given the administration additional powers with which to control our agricultural economy. Those proposed agricultural budget cuts actually sustain the complete disregard exhibited by this administration for the well-being of U.S. agriculture, and reflect a complete lack of understanding of the strength of our Nation and the real reason for our abundance.

Mr. Chairman, this administration is tinkering dangerously with our greatest natural resource. And I seriously question the objective of such tinkering. What good does it do to have farm programs designed to strengthen agriculture and then turn right around and nullify the gains by departmental action? Why have workable programs such as school milk and school lunches, and then turn right around and recommend their extinction just to finance untried new programs designed to help but a few? Why would any group of Americans want to scuttle the important research so necessary to the maintenance of a pure food

supply just to finance such items as rent subsidies or the teachers' corps? Just what good is a poverty program if we no longer have food?

As one educator wrote me recently:

A reduction in agricultural research funds at this time, when world attention is being increasingly directed to a world food crisis, seems particularly incongruous to us.

The administration's entire approach to our domestic problems seems entirely incongruous to me.

I note that the administration's budget recommendations called for a shifting of funds for the valuable Extension Service, which has operated so well across our land. One of the reasons for such a shift was to direct funds toward poverty areas. Mr. Chairman, I suggest that the Extension Service has proven itself not only of great value to the entire Nation, but is one of the few successful poverty agencies in existence today. A recent national study indicated that in the North Central States, for instance, about 34 percent of total extension time was invested in work with families whose annual incomes were below \$3,000. These Extension Services, administered largely through our land-grant colleges and universities, have recognized the need for expanded work in resource development and poverty areas and have devoted additional attention to those areas. But under the budget proposals, they would be penalized for their foresight. Unfortunately, the transferring of funds from programs that are currently successful to other areas of the Nation that Washington considers in greater need, could well result in the creation of new poverty pockets in the areas where working programs had been in existence.

Mr. Chairman, the issue today is not over any individual money item in this bill. I suppose that each individual item recommended for reduction in the budget would not in itself have a great effect on the Nation. But put together and considered as a package, these reductions would have a tremendous effect on this Nation. To acquiesce to the administration's requests, coupled with the other inconsistencies we have noted in their relationship to U.S. agriculture, would give our tacit approval to a completely new direction or policy toward the production and producers of food and fiber. It is a matter of principle, the principle of maintaining the forces that have made U.S. agriculture the envy of the world, or of sacrificing these gains for the fulfillment of other, less basic, needs.

By approving this bill today we cannot reverse all of the momentum that has been put into force against the best interests of U.S. agriculture, the consumer, and our country's future greatness, but we can at least put a very big stumbling block in the way of the Federal planners who would move our agricultural ability from the firm foundation of experience to the shifting sands of bureaucratic contradictions.

It is to prevent that kind of maneuvering that your committee has responded in restoring those funds and in relying more heavily on the programs and the distribution of funds where Congress will have something to say about it.



Incidentally, that also means that the people will have something to say about it, and so the distribution may be uniform throughout the Nation, not in prescribed areas, not to prescribed individuals, as someone in Washington has determined, but, on an equitable basis and in accordance with programs that have been tried, proven, and found to be acceptable by the public.

So on that basis I very heartily recommend the bill to you.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Chairman, I, too, wish to commend the committee and the gentleman from Mississippi [Mr. WHITTEN] on a very difficult and trying job well done.

I have appeared before his committee, along with many others of my colleagues, I am sure, particularly with reference to the school lunch program, the milk program, and other matters that were of concern. I particularly appreciate the actions taken by the committee in restoring these funds.

I do want to take this time, Mr. Chairman, to discuss briefly some of the language of the report with reference to research. Again, I wish to compliment the committee for its continued interest in research, because I think that there is no part of this bill which is more important, or is of greater importance to the American people, the urbanites as well as the rural people, than continued research and improvement in the food and fiber programs, making it possible for the farmer to do a more efficient job in production.

At the present time the American farmer is confronted with ever-increasing costs of production all across the board. One of the very serious problems of the farmer is the situation with reference to labor costs, because of developments, particularly in recent years, of difficulty involved in harvesting many of our specialty crops.

We have some very serious labor shortages. This has brought about an intensive effort to develop labor-saving devices to make it possible for each individual farm laborer to produce more per man. So I am particularly appreciative of the consideration which the committee has given in this area.

If I may have the attention of the chairman just briefly for one question, Mr. Chairman, I call attention to page 16 of the committee report, the second paragraph, under the heading "Contingency Research Fund," where there is a comment that—

There appears to be an urgent need for additional research attention to improved equipment for grain grading, soybean production—

And a variety of things—  
mechanization of production of dates and other commodities, and many other problems.

In view of this great need to develop labor-saving devices and the fact that we have many individuals, as well as small manufacturers, who have been

coming up with various types of mechanical vehicles for harvesting tree fruits, tomatoes, melons, and so on, is it my understanding that the funds that have been provided can be used for those purposes without the necessity of earmarking for a specific area or specific purpose of analysis in research?

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman from California, we appreciate his remarks. This committee has in recent years cooperated fully with the people in his State in trying to meet this increasing need for mechanization. Labor just simply is not available, not necessarily because people are not there, but because it is impossible to get them to do this kind of work.

We have been very much pleased with some of the developments in this area from research done in the past. To meet the growing needs, which we recognize, each year we provide a contingency research fund of \$1 million for use in these various fields where it is needed, without it having to be earmarked.

On the point that the gentleman makes, we have specifically directed the Department's attention to the area and have urged the administrator to use his general fund to carry out the work.

Mr. SISK. Mr. Chairman, I thank the gentleman very much for that statement, because we are developing a number of these mechanical pieces of equipment that are very helpful. We need tests and analyses and evaluation and cooperation of the Department to really make a determination and reduce the cost of equipment to the individual farmer.

We have a request pending with the USDA for research people to be made available to carry out tests and analyses of newly developed labor saving equipment in the Fresno area of California. We hope to secure Department engineers and research people and to work out a cooperative program with the Fresno State College Agricultural School located in the heart of the great San Joaquin Valley.

I am very appreciative that the committee has recognized the problem. Certainly we look forward to progress.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. JOELSON].

(Mr. JOELSON asked and was given permission to revise and extend his remarks.)

Mr. RACE. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from Wisconsin.

(Mr. RACE asked and was given permission to revise and extend his remarks.)

Mr. RACE. Mr. Chairman, I should like to commend the committee and the chairman for a job well done.

Mr. Chairman, I would like to rise in support of the Appropriations Committee's recommendation that \$82 million be restored to the school milk program. I believe that the administration's proposal that the school milk program be reduced from \$103 million to \$21 million is false economy.

I have been greatly disturbed in recent months over some of the very unwise and

foolhardy proposals and programs being pushed by the Department of Agriculture. The proposed slash in the school milk program certainly falls into that category.

The administration has been telling us in recent months that despite our grave obligations in southeast Asia, that our Federal budget will be able to support both "guns and butter." But, while we are supplying the guns for our fighting men in Vietnam, it would appear that the Department of Agriculture is proposing to eliminate the milk for our schoolchildren and even butter for our fighting men.

The Congress cannot allow a scuttling of the school milk program for two very important reasons.

The first is the most obvious. While some belt tightening may be in order because of our commitments in Vietnam, I do not believe that we ought to do such sacrificing at the expense of the nutrition of our schoolchildren.

Secondly, the dairy farmers in Wisconsin and throughout the Nation cannot afford to have another economic blow dealt to them. Just recently, the Department of Defense has substituted oleomargarine for butter in the diets of our fighting men and women and virtually eliminated almost 3 million customers for dairy products.

On March 31 the Department of Agriculture announced that almost a million additional pounds of foreign cheese would be dumped on the domestic market in an effort to drive down retail prices.

And now we are being asked to take away the school milk lunch program. This cannot be done. This is not economy—it is just plain poor judgment.

Mr. JOELSON. Mr. Chairman, I do not know if our Republican brothers are going to come up with the usual motion to recommit and to slash the appropriation by 5 percent, but if they do I should like to remind them that in this bill, many things are added to the budget, which were recommended against by the administration and the Bureau of the Budget. They are as follows:

A reduction of \$5.5 million for the Agricultural Research Service; \$7,803,000 for the insect and disease control program; \$10 million under the Smith-Lever Act; \$82 million under the school milk program; \$19 million under the school lunch program; \$145 million for rural electrification loans; and \$12 million for telephone loans.

I suppose this adds up to a sum in the neighborhood of \$250 million, though I have not added it up.

If the Republicans now come forward to ask to take off the 5 percent they have added on, they will be back where they started, where they have often been in the past.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from Illinois.

Mr. MICHEL. There is really no intention over here, to my knowledge, to impose that kind of limitation on this particular bill, since the subcommittee did such a terrific job on the individual items.



Mr. JOELSON. I am happy to hear that, because in the past I have noticed that the same people who supported increased appropriations then came in, at the tail end, with a request to strike out a flat percentage figure.

I am very happy that this time Republicans and Democrats alike are in agreement, especially concerning the desirable school lunch and school milk programs. But it seems to me strange that those who cry the loudest for economy do not hesitate to add \$250 million to the recommendations of the administration.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Mississippi [Mr. COLMER].

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Chairman, I am gratified that the item of \$7,803,100 is included in this bill for carrying on the fight against man's chief enemy, the insect. This includes the necessary funds for the eradication of the vicious fire ant. The deadly pest, imported from South America several years ago, has resulted in the loss of hundreds of thousands of dollars to the farmers, as well as become a menace to wildlife, stock, poultry, and even human beings in my section of the country. Moreover, this pest is rapidly spreading to other sections of our common country.

The Department of Agriculture has finally come up with a means of not only fighting but eradicating this poisonous pest.

The money provided herein can be used with matching funds by the various counties of the infested areas to carry on the battle against the fire ant.

Mr. Chairman, while this is by no means a Mississippi fight, I am very proud of the part played by Mississippians therein. My colleague, the gentleman from Mississippi [Mr. ABERNETHY], the able Congressman from the First District, a member of the House Agriculture Committee, sponsored the legislation authorizing the use of these funds. Our esteemed colleague, the gentleman from the Second District of Mississippi [Mr. WHITTEN], chairman of the House Subcommittee on Appropriations handling agricultural appropriations, has seen to it that the necessary funds, not only for this year but the past several years, have been appropriated to carry out the purpose of that legislation. And I hope that I may be pardoned for referring to the fact that it was my privilege, as a member of the House Rules Committee, to sponsor the clearing of the legislation through the committee to the floor of the House and handling the resolution on the floor in 1957. Furthermore, all of the Mississippi delegation, in both the House and the Senate, have cooperated fully in this matter.

It is regretted that the President did not include this item in his budget request. But I, along with the people of all of the States as well as Mississippi which are plagued with this deadly pest, are grateful to Congressman WHITTEN and the other members of the Appropria-

tions Committee for including this necessary item in this bill.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I take this time to ask the gentleman from Illinois, a member of the subcommittee, whether the appropriation bill includes funds for the inspection of poultry for the protection of consumers?

Mr. MICHEL. On the meat and poultry inspection items, as I recall, there was a request for 300 additional meat inspectors—and we allowed 275—and a request for 107 for poultry—and we allowed 85.

Mr. MORTON. As the gentleman knows, there has been considerable pressure to put the burden of the inspection service on the poultry industry itself, and to take it away from the Government. As I understand it, the funds to be appropriated by this bill will provide for sufficient inspectors so that the burden of inspection will still be on the part of the Government and not on the part of the processor; is that correct?

Mr. MICHEL. The gentleman is absolutely correct. We pointed out at the time of the authorizing legislation years ago that, once authorized, it would be the burden of the Government year after year, to meet the needs for inspectors both for poultry and for meat.

Mr. MORTON. I appreciate the gentleman's comments.

I should like to ask the gentleman from Mississippi [Mr. WHITTEN] if the organization of the inspection service will continue under this appropriation bill, as it has been in the past, separating the poultry inspectors from the red meat inspectors?

Mr. WHITTEN. May I say that the people from the Department have assured me that any consolidation would be limited to the supervisory level. Certainly the committee has no desire, and in fact I am opposed, to carrying any consolidation beyond the supervisory level. May I point out that under the basic law, to which I was opposed at the time, the Secretary has considerable authority to reorganize at his pleasure. However, we made our feelings known, and the Department has assured us that they will carry them out.

Mr. MORTON. I thank the chairman very much for that explanation.

(Mr. MORTON asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I gladly yield to the gentleman from Indiana [Mr. HARVEY] such time as he may require.

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, I rise in support of this legislation. As Indiana's only Congressman serving on the House Agriculture Committee, I want to commend my colleagues on the House Appropriations Committee for the courageous manner in which they handled and restored recommended Johnson administration budget cuts in many of the programs.

It did not just happen that our Nation enjoys the distinction of being the best fed nation in the world; nor was it congressional indifference to agricultural problems that brought this about.

As a lifelong farmer myself, I can say to you that many of these programs are highly important, not only from the producer standpoint but from the consumer standpoint as well. One particular program that I have observed with a great deal of admiration over the years is the Cooperative Research Service, and I am pleased to note that the committee in its wisdom saw fit to provide the funds to continue this program at present levels.

If others are as concerned with problems of flood control and conservation as I am, no doubt you are encouraged by the committee's action on the small watershed program. Proposed cuts in this program would have done irreparable damage to necessary planning that is required months, and often years, in advance of construction.

At a time when we find our President blaming American housewives for feeding the fires of inflation, it is almost ironic that this same administration would propose to pass along USDA meat inspection costs to consumers. I would like to remind our President that there is no better planner or budgetmaker than the American housewife, and had the administration's recommendations on meat inspection been approved our wives would have been in for more unfair criticism.

In the area of the much-needed school milk and lunch programs for children, present and long-range national goals for our Nation's nutritional health can be achieved with this program operating at levels it has in the past.

Mr. MICHEL. Mr. Chairman, I now yield 15 minutes to the distinguished ranking minority member of the Committee on Appropriations, the gentleman from Ohio [Mr. BOW].

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, some days ago on April 15 the President took a short trip from the White House to the Department of Agriculture. The purpose of his little trip was to hand out awards to 37 Agriculture Department employees who had been credited with saving more than \$26 million in Federal spending. That is good and I am glad the President gave a personal boost to his economy-in-government campaign by making these awards. I am delighted that Agriculture employees were able to find places where \$26 million of savings could be effected. That \$26 million, however, represents less than four-tenths of 1 percent of the \$6.9 billion of Agriculture Department spending we are called upon today to approve for the 1967 fiscal year.

What intrigued me most about this celebration was the content of three brief sentences uttered by the President during the awards ceremony. He was quoted at that time as saying:

I believe that waste is against our freedom. I believe waste is against the American people.

So I have said that controlling waste is like balling a boat—you have to keep at it.



Now I am certain that all of us would agree heartily with the President that waste in Federal activities is against the American people. To knowingly permit waste in any Federal activity would be to commit a maleficence that would shock and outrage taxpayers all over the Nation. For Congress to knowingly provide appropriations now for nonessential spending in the face of the war in Vietnam and the price inflation we are experiencing would be to shirk our responsibilities which, in turn, should outrage Americans everywhere.

Since January 24, when the President submitted his 1967 budget to Congress, I have been "bailing a boat"—the boat of our general economy. I have kept at it too even though the success of my efforts might indicate that I should "abandon the ship" and let the big spenders in Congress and the wheelers and dealers downtown propel the economy pell mell to the shoals of runaway inflation, of increased taxes, and of wage and price controls. As discouraging as the situation may seem insofar as my economy efforts are concerned, I have no intention of deserting the ship of prudent fiscal responsibility.

#### ECONOMY EFFORTS ON APPROPRIATIONS BILLS

As a means of refreshing your recollection, let me briefly review those economy efforts.

During House debate on the second supplemental appropriation bill, I offered an amendment which would have deleted \$12 million for the initial funding of the rent supplement program. The amendment was rejected by a teller vote of 153 yeas to 183 nays. My point of order against the National Teacher Corps provisions was overruled, but I was prepared to offer an amendment that would have deleted the \$10 million initial funding of that program. However, my distinguished colleague on the Appropriations Committee, the gentleman from Oregon [Mr. DUNCAN] offered such an amendment, and it was rejected by a teller vote of 128 yeas to 156 nays. Thereafter, I offered an additional amendment to delete \$41 million of impact school aid funds from the bill that had been added by the Appropriations Committee, even though the funds had not been requested by the President. That amendment was rejected by a voice vote. At the conclusion of debate on the bill, I offered a motion to recommit the bill to the Appropriations Committee with instructions to delete the rent supplement provisions from the bill. The motion to recommit was rejected by a record vote of 190 yeas to 198 nays.

When we had the Department of Interior and related agencies appropriation bill before us, I offered two economy amendments both of which were rejected by voice vote while we were in the Committee of the Whole. One amendment would have cut the \$1,170 million of appropriations recommended by \$7,293,000, which represented the total of increases in the bill above budgeted requests. The other amendment would have limited spending in fiscal 1967 to 95 percent of what the President proposed in his January budget to spend on the items provided for in the bill. Subsequently, this

latter amendment was included in a motion to recommit and that motion was rejected by a record vote of 156 yeas to 232 nays.

More recently, with respect to the Treasury-Post Office appropriations bill I offered the Bow expenditure limitation amendment which was first rejected on a voice vote and later rejected on a motion to recommit by a record vote of 127 yeas to 244 nays.

As desirable as these programs may seem to some of you, we certainly could have done without them at least until the war in Vietnam has been concluded and until we have been able to reverse the inflationary forces that are already in the economic stream. Moreover, we should do without them and the amendments offered by the gentleman from Oregon [Mr. DUNCAN] and myself should have been adopted overwhelmingly by the House.

#### THE RECORD ON AGRICULTURE

For almost 35 years the Federal Government has been tinkering with farm production and the prices that are paid to farmers. The efforts of persons with very fine minds and the efforts of a multitude of bureaucrats have been devoted to solving the problems of farm prices and farm production. As we all know, those problems have not been solved and the prospects for their early solution appear remote.

It seems to me that the ultimate objective of research and legislation in the agricultural area should be an agricultural industry standing on its own feet in a free-market economy. But, what results have we gotten from our research and legislation?

We have spent literally billions of tax dollars in this area.

We have allowed farmers' incomes to lag well behind the incomes of other Americans.

While we have controlled the prices that farmers receive for the fruits of their labors, the prices they pay for land, equipment, pesticides, fertilizers, seeds, and other necessities of life have increased just as have the prices of other products manufactured in our otherwise free market economy.

We have controlled the production of cotton, which has resulted in greatly increased world production and the loss of markets for our own cotton.

We have given away and sold under Public Law 480 literally thousands of tons of food and fiber, and now we are proposing under our foreign aid program to expand our efforts to improve agricultural production all over the world which probably will result in further losses in worldwide sales of our agricultural products.

The administration is now urging minimum wage legislation that will increase farmers' payroll costs.

At the same time, they are in the process of deliberately reducing farm prices further by dumping surplus grain, by cutting military purchases of pork, by importing cheese, and by imposing export controls on hides.

While all of these things have been going on, we have been encouraging the farmer to lay down his hoe and sickle,

sign up for the cropland adjustment program, and then go fishing.

It is amazing that farmers generally have been able to persevere in the face of all the Federal obstacles to success that have been foisted upon them for these many years.

#### THE AGRICULTURE APPROPRIATION BILL

The totals in the table, at the end of the report on this bill, indicate a budget request of \$7 billion, a proposed appropriation of \$6.9 billion, and a resultant cut of \$114 million.

That would indicate a stellar performance on the part of the subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN] and the members of his subcommittee. As most everyone knows, they were faced with the enormous task of restoring a number of longstanding and much favored programs in which the administration had proposed substantial cuts and other alterations. They have performed yeoman service in that regard and they are to be commended.

As a matter of fact, their performance would be a glittering one if all that glittered were gold in the \$114 million cut from the budget estimate. Unfortunately, such is not the case and I want to explain why it is not. I do so not with any desire to detract, in the least, from the splendid job the subcommittee has performed, but just so we will all know that our actions here today will further impair the anticipated 1967 budget deficit of \$1.8 billion and may very well add to the inflationary pressures that are already at work in the general economy. These inflationary pressures were again emphasized last week when it was reported that the consumer price index advanced another four-tenths of 1 percent in March, which followed a one-half percent increase in February.

We are not providing appropriations of just \$6.9 billion as the table indicates. In addition to the \$6.9 billion, we are proposing to use transfers of permanent appropriations, from section 32 funds, of another \$282 million. The use of these funds is detailed in the text of the report and in the footnotes at the end of the table but they are not included in the table since they are outside the scope of this bill. The budget anticipated using \$229 million of these funds, as has been provided; however, the committee has recommended using an additional \$53 million for the special milk program. To the extent that section 32 funds are not utilized, beyond an authorized annual carryover of \$300 million, they are appropriated into the miscellaneous receipts of the Treasury and help to reduce the deficit.

Additionally, the committee has provided contract authority of \$220 million for the 1967 agricultural conservation program, which is \$120 million more than the administration requested. The committee did offset this increase with a cut in the 1967 cropland adjustment program. Of course, the \$220 million is not an appropriation but when the contract commitments are made next year they will constitute binding obligations which we will be called upon to liquidate with appropriations in the 1968 fiscal year.



The REA electric loan authorization has been increased by the committee to \$365 million from the budget request of \$220 million and the REA telephone program to \$97 million from the request of \$85 million. These are loans which will be repaid to the Treasury. But to the extent that cash is advanced on them in 1967 beyond the amount which was anticipated in the budget, the advances and attendant interest costs will increase the deficit. As we all know the cooperatives pay 2 percent interest on their loans while the Government is paying approximately 4 percent on its borrowings.

Now, let us turn to some of the reductions which the committee has made from the budget estimates. It has cut \$75 million from the cropland adjustment program, \$55,855,000 from the reimbursement for net realized losses of the Commodity Credit Corporation, and \$20 million from the International Wheat Agreement. As much as I hope that these cuts will result in real savings, I would be less than candid if I did not point out that they are iffy at best and may very well not be sustained. Moreover, to the extent that they do not materialize, Congress will be called upon at a later date to appropriate additional funds for these purposes. These cuts may not materialize for the following reasons:

It has been reported that farmers are not signing up for the current cropland adjustment program at the level anticipated in the budget. If this situation continues, the \$75 million cut may be realized. If a substantial increase should occur, however, in farmers' participation in the program, the cut could not be sustained.

With respect to the \$55 million cut in the reimbursement of CCC's net realized losses, it has been said that the CCC can live within the cut, provided a concerted effort is made to sell in world markets, the approximate 1 billion bales of cotton now held as CCC inventory. At the moment, we have no way of knowing how much effort will be made or what success the Department will have in this regard. I am also told that if the wheat for India program which is estimated to cost \$450 to \$500 million is financed by CCC, this cut will not be sustained and Congress will be obliged to make further capital restorations to the CCC.

The \$20 million cut in the International Wheat Agreement is contingent, of course, upon the demand generated by the program. To the extent that the demand goes beyond the recommended appropriation of \$40 million, the \$20 million cut will not result in any real saving.

#### THE BOW EXPENDITURE LIMITATION

If the Bow expenditure limitation amendment were adopted today with respect to this bill, it would limit spending in fiscal 1967 to 95 percent of what the President proposed in his January budget to spend on the items provided for in this bill. That would have the effect of eliminating spending in 1967 of the funds which the committee has provided to restore such long-favored programs as research by the Department, itself, by the land-grant colleges and by State agricultural experiment stations; certain

soil conservation practices, and the restored levels of the special milk and school lunch programs.

Since these long-standing programs which are favored by the public and the Congress and which do much to assist the farmers, the schoolchildren and certain of the Nation's unfortunate poor, I will not offer the limitation as an amendment to this bill. I do want to serve notice now that the amendment will be offered on other appropriations bills that are still to be considered. I also urge each of you to give thoughtful consideration to the imperative necessity for your supporting the amendment or other budget-cutting proposals when they are offered. If we do not impose some expenditure limitations and effect some substantial appropriations cuts, we certainly can expect further inflation, increased taxes, and possibly wage and price controls. If these things come to pass, we shall have failed to discharge our constitutional obligations and keep faith with the folks at home and with our fighting men in Vietnam.

Mr. Chairman, again I wish to compliment the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], and his associates on his side, and the gentleman from Illinois [Mr. MICHEL], who has done an outstanding job. I think this is a good bill, with some exceptions. I will offer an amendment.

There may be several amendments offered to bring this bill back to the budget figures so we can make some savings. But I do wish again to say that I think this subcommittee has done an outstanding job, and I certainly appreciate the efforts they have made.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. COHELAN].

(Mr. COHELAN asked and was given permission to revise and extend his remarks.)

Mr. COHELAN. Mr. Chairman, I am greatly concerned over the administration's proposal to substantially reduce the school milk and school lunch programs. At a time when we are making urgent efforts to increase the quality of our educational offerings, this is a false economy indeed.

Let me make it perfectly clear that I am in complete sympathy with the administration's desire to make the school milk and lunch programs more extensively available to needy students from poor families. There is no question that we can and should place greater emphasis on this effort. But there are many legitimate questions and, in fact, every reason why we should not withdraw the benefits of these proven and worthwhile programs from other students to whom they are also important.

The school lunch program provides the only warm and nutritious meal which some students receive all day long. Yet, the proposed cut would reduce the Federal reimbursement to States and local school districts by one-fifth. In California this would mean a loss of \$1.4 million in this next year alone. With ever-rising school enrollments, and with a Department of Agriculture projection that more than a million additional stu-

dents today need this program, such a cut simply does not make sense.

It is interesting to note, furthermore, that the Consumer Marketing Service, which is responsible for the administration of this program, does not think so either. It recommended not a cutback of \$19 million, but an increase of \$15 million for this next year.

The situation in regard to the school milk program is even more absurd. Here the reduction proposed by the administration is fully four-fifths of the present funding level. What does this mean for a State such as California?

For each of the last 3 years, the Federal school milk figure for California has been approximately \$9 million. Under this new formula, California would receive less than \$2 million.

Just how is such a program going to benefit the poor it is designed to reach? Obviously it cannot. It is unworkable and unthinkable.

Mr. Chairman, I fully support the action of the Appropriations Committee, of which I am a member, in eliminating these proposed reductions and restoring the school lunch and milk programs to their present funding levels. I believe, indeed, that an increase in these programs to meet the requirements of growing school populations and to provide more adequate benefits for the needy children of poor families is called for, and I hope the committee and the Congress will favorably consider such a proposal.

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. BURKE] as much time as he may desire.

(Mr. BURKE asked and was given permission to revise and extend his remarks.)

Mr. BURKE. Mr. Chairman, I rise to commend my colleague, the Honorable JAMIE L. WHITTEN, chairman of the House Appropriations Subcommittee for Agriculture and the members of the Appropriations Committee for their far-sighted approach to the funding for the school lunch and milk programs.

H.R. 14596 which was reported by the committee on April 22, 1966, will provide a direct appropriation of \$50 million and will direct the transfer of \$53 million to the special milk program. The committee has restored funds for the school lunch program to the current year's level of \$157 million and has provided for the transfer of \$45 million to the program.

It has been shown time and time again that one factor of mental development and achievement is an adequate diet. In the face of today's need for the physically and mentally well developed person, the nourishment of our children cannot be overlooked. For many of our children today, the hot lunch and milk provided in the schools is the only well balanced meal of the day. For others it helps to complete the meal planning of the family. To deny proper nourishment to any child in school or to increase the cost of this nourishment to a degree beyond the limits of the family budget is unthinkable.

The forward-looking attitude of the House Appropriations Committee in pro-



viding the necessary funds for these programs has assured further steps toward proper nutrition for our schoolchildren.

The entire purpose of the special milk program has been to increase the consumption of fluid milk by children. Nonprofit schools of grade 12 and under, all nonprofit summer camps and child-care institutions devoted to the care and training of our young are eligible to participate.

The school lunch program has contributed to the welfare of our children since its conception. This program has not only provided immediate nourishment but has helped establish proper eating habits among countless children.

I praise and strongly support the wise action taken by the House Committee on Appropriations to restore the necessary funds to the budget to continue these programs which supply our children with one of the fundamental needs of their lives and urge that swift and favorable action be taken by the House of Representatives.

Mr. WHITTEN. Mr. Chairman, I yield as much time as he may desire to the majority leader, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I thank the distinguished gentleman for yielding. I take this time because I desire to compliment the gentleman from Mississippi and his committee for the concern that they have expressed over bringing about comparability of pay for county ASC employees. It would seem to me that these employees are entitled to the same consideration as other employees in the Department working in county offices, such as Farmers Home Administration, Soil Conservation Service, and the Agricultural Extension Service.

May I ask the distinguished gentleman, the chairman of the committee, whether he would be willing to recommend to the Department the establishment of an objective committee for the purpose of recommending pay rates which would bring about comparability of pay for these employees?

Mr. WHITTEN. Mr. Chairman, may I say to my colleague, the majority leader, that the committee, on pages 37 and 38, of the report, mentions these matters. We are in accord that these are Federal workers, and as such should be paid at a rate commensurate with others.

Our hearings showed what appeared to us to be favoritism in certain States as compared with others. In connection with trying to obtain comparability of average pay, I believe a review is needed to straighten out the pay structure from the top level down. Our committee calls for it.

These matters should be studied so that these full-time Federal workers may have fringe benefits and pay equal to others who are employed by the Federal Government.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, does the gentleman not think it is about time the status of these employees be clearly defined since they receive all the benefits of

Federal employees, including pay, fringe benefits, and otherwise?

If you leave them subject to employment other than civil service, it is going to cause trouble in the end, in my opinion.

Mr. WHITTEN. Mr. Chairman, I agree with my colleague from Iowa. We have been cooperating with other Members, including my friend from Iowa, to see that these benefits are made available.

I think it high time that they be given some protection from political pressures. As the gentleman knows, throughout the years—and it has not made any difference who has been in the White House, or what administration—there have been accusations that some employees have been taking part in political activities. At the same time, there has been some evidence that from Washington on down there have been some pressures because the employees did not have the protection of civil service.

I am in accord with the viewpoint of the gentleman that we should go the whole way if they are full-time Federal employees, and give them the benefits and status that were intended for them by the Congress.

Mr. GROSS. That is right. I thank the gentleman.

The CHAIRMAN. The gentleman from Oklahoma consumed 4 minutes.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I want to take this time to commend my good friend, the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN], and the ranking minority member, the gentleman from Illinois [Mr. MICHEL], for the commendable job they have done in bringing up this bill, and restoring funds for the school lunch program and the milk program.

Mr. Chairman, ever since it first became clear to me just exactly what President Johnson was proposing in this year's agriculture appropriation bill—when I was first able to penetrate the fiscal double talk which shrouded the real impact of his proposals—I have opposed the cuts suggested in the school lunch and school milk programs, in the agriculture extension service support fund, and in the other areas where virtually fatal cuts have been proposed.

It was immediately clear to me, as it was to a great many of us in this body, to the press, and to the taxpayers of this country, that the bulk of the cuts proposed by the President were not offered with any reasonable expectation of acceptance. They were phony cuts—offered out of a desire only to be able to tell the voters that the Great Society has made an effort to trim the budget, no matter how irresponsible or how facetious that effort might be.

Cuts were proposed in programs that have served both the farmer and the consumer effectively for generations. I have been privileged to serve 8 years in this body and over that span I cannot recall a single word being raised in protest or criticism of either the school milk

program or the school lunch program. Nor have I heard anything but praise expressed on behalf of the invaluable services rendered by our land grant colleges throughout the country through the agriculture extension services they have provided for the last 100 years.

I was pleased, in fact, to testify before the Agriculture Appropriations Subcommittee on this very point during their deliberations on this bill. I cited the record of service and achievement compiled by the University of Massachusetts, in my congressional district at Amherst. I stressed the contributions made to farming and agriculture throughout Massachusetts as a result of the university's fine extension service program. And I pointed out how a transfer of these support funds to a specific project type of program would very likely kill off the service in my State.

I will not repeat my testimony on that point. It is a part of the record of the hearings on this bill.

My own conviction on these points has been more than bolstered by the response of my constituents. I have received as much, if not more, mail on this issue in the last few weeks than on any other issue, except perhaps Vietnam. I have answered between 400 and 500 letters in the last 3 weeks alone. And today I will answer several hundred more to report on the action of this body on this bill.

Out of all this mail, I have not seen a single letter in support of the cuts proposed by the President in the school lunch or milk programs. I do recall one letter which did express willingness to accept the cuts, but only if the funds would be diverted to more urgent, higher priority programs. If the President wants a consensus on this issue, I can supply him with a pretty convincing one.

In my judgment, these cuts were never seriously meant to be accepted. They would have crippled several key domestic programs and created some very serious political headaches for the President's supporters in the coming elections.

It is my opinion that these cuts have been suggested only in an effort to demonstrate some attempt at fiscal integrity by the administration. The voters are now supposed to assume that, by rejecting these cuts, the House Appropriations Committee must bear responsibility for the huge budget deficit which looms ahead of us. The committee has accomplished at least part of what they were supposed to do; they have gotten the President off the hook.

But what the taxpayers will also learn—what emerges as a most significant point, is the fact that in spite of the restorations in every single one of these programs, we have still been able to reduce the appropriation sought in this bill by more than \$113 million.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOORE].

(Mr. MOORE asked and was given permission to revise and extend his remarks.)



Mr. MOORE. Mr. Chairman, I commend the subcommittee, its chairman, and the ranking minority member for the commendable job which has been done on this appropriation bill.

I should like to address a remark to the chairman of the subcommittee. As he will recall, I discussed with him at some length the proposed curtailment in the watershed planning and construction phase of this bill. Also I submitted our views on this matter to the subcommittee during their deliberations.

I was particularly concerned by the suggestion of the Bureau of the Budget that there be a reduction in the number of watershed projects proposed, a reduction compared to those permitted in the last fiscal year. Had this recommendation been followed the Wheeling Creek Watershed project in my congressional district would have been placed in jeopardy.

I wonder if the chairman of the subcommittee could advise me of the action taken in this regard.

Mr. WHITTEN. If my colleague from West Virginia will yield, I do recall his interest not only this year but also in other years. I know he did talk to me and to other members of the committee and he did urge that the restoration be made.

I say for the RECORD that the committee recommends the full 100 starts. That would mean they could go ahead at the same level as this year.

To have gone along with the Bureau of the Budget on that would have been a backward step in meeting the needs of a program which means so much not only to the country today but also for the welfare of our children in the years ahead.

Mr. MOORE. I thank the chairman.

May I also make inquiry concerning the action of the subcommittee in the area of watershed construction starts. In this case it was suggested by the Bureau of the Budget that there also be a cutback. Do I correctly understand that the subcommittee has taken like action in this regard?

Mr. WHITTEN. We have. The Bureau of the Budget recommended 35 new starts. We have put it back to 80 new starts. This should enable that program to proceed at the going rate.

Mr. MOORE. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, this appropriation bill contains a number of items which are attractive and very popular, but we should not lose sight of the fact that it also contains a number of items which, if they knew the full story, the taxpayers would find difficulty digesting.

The gentleman from Illinois [Mr. MICHEL], enumerated some of the typical direct payments to individual farmers authorized in previous legislation to be funded by this bill. The gentleman mentioned wheat, feed grains and cotton. Some of the direct payments to individual farmers will be as high as \$250,000 a year.

The gentleman did not mention another example of direct payments. The

appropriation bill would authorize \$80 million for the sugar program. Last year we dealt with legislation authorizing the sugar program for a 5-year period. One would have thought, when hearing the arguments presented on behalf of the sugar bill last year, that the program was to be operated without any cost to the taxpayers. Yet now, less than a year later, we have before us an appropriation bill which includes \$80 million for the sugar program.

The reason for this is rather evident. The sugar program has a little-known feature involving a direct payment, but it is not little in terms of dollars to some individual producers. The last listing I saw showing the largest payments under the sugar program had two annual payments to individual producers each exceeding \$1 million. The top 25 payments, I believe, scaled down to the bottom figure of about \$200,000. Several payments were close to the \$1 million a year level.

These things should be kept in mind as we try to balance off the pros and cons of this appropriation bill.

I noticed in the bill a provision for the Federal crop insurance program. This raised a question in my mind. The figure to be appropriated is \$8 million. I should like to ask the subcommittee a question about it.

I wonder whether this \$8 million is entirely for the purpose of providing a revolving fund for the enlargement of the program, or whether some of that money will be used to help to meet the current operating and administrative costs of the Federal crop insurance program.

In asking that question, I am reminded that some of my constituents and others in the State of Illinois have complained about the operation of the Federal crop insurance program.

They contended it is heavily subsidized and that the premium rates are not high enough to cover all expenses. So I would appreciate a clarification on this point from anyone who chooses to respond.

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman that I was here when the crop insurance program was first started. It proved to be a failure in that they had too little experience at that time to set the program up on a sound basis. Subsequent to that attempt, we started the crop insurance program on an experimental basis with very few counties in it. There were 150 counties, I believe, at the outset. At the time it required a broad base for the purpose of trying to work it out and make it feasible. About 3 or 4 years ago by gradually increasing the experimental program, the program expanded to about 900 counties. We reached a point where we either had to offer it to those counties throughout the United States which wanted the program or stop it on an experimental basis. So this additional money will be spent in carrying the same program to about 40 new counties next year.

Now, I have had some complaints from my own area from friends in the insurance business. In each case I have written back to them and said, "If your company or any company you know of will

take over this program, I will introduce a bill and make a speech to help you get it." I have yet to find any old-line insurance company that will take over this crop insurance coverage. It is true the Federal Government has been out some appropriated money in an effort to keep this program going.

Mr. FINDLEY. Can the gentleman from Mississippi tell me how close they came?

Mr. WHITTEN. I think maybe—and I will stand corrected on it if I am wrong—two-thirds is appropriated out of the Treasury and one-third is charged against premiums. I am talking about administrative costs.

Mr. FINDLEY. Does the \$8 million in the bill represent the subsidy cost of the crop insurance program as anticipated for the next year?

Mr. WHITTEN. This year the Budget recommended an increase of \$354,000, all from appropriations. Instead of that we provide an increase of \$300,000, one-half from appropriated funds and the rest from premium income.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Now, if the gentleman will yield further, let me say that I do think, however, that if you match the total cost here with the amount of money that we have voted out of the Treasury when we have had crop failures and disasters in certain areas of the country, you will see it has been small indeed.

Mr. FINDLEY. I assume the gentleman is not opposed to having the premium rate set at a level which will cover all operating and administrative expenses.

Mr. WHITTEN. Provided that the increased premium would not thereby prevent the farmers from participating. I do not know whether it is sound or not sound, but in the last 8 or 10 years any time you have a disastrous crop failure, or other disaster, the Federal Government moves in with a broad Government contribution. All we can do in view of that is to maintain this program. I would not want to reflect the total administrative cost in the premiums if thereby we decreased the base to the point where the program is unsound.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I might make one further observation here to the gentleman from Illinois [Mr. FINDLEY] to the effect that the budget requested authority to borrow \$10 million from CCC to cover any eventually that might come by virtue of an excessive amount of claims in the coming year. That amount last year was carried in this bill as \$250,000, and raised that figure to \$500,000, in this bill. It is \$9.5 million less than the budget requested.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Will the interest rate cover the cost of money to the Government in the event that this course of action is followed?



Mr. MICHEL. Well, we would certainly hope so.

Mr. FINDLEY. I thank the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. BATTIN].

(Mr. BATTIN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, I only take this time to add my word to that of others in paying high respect to the subcommittee of the Committee on Agriculture for taking the recommended budget and approaching it realistically, restoring funds that have been recommended for deletion by the Bureau of the Budget and the administration.

Mr. Chairman, I believe the approach that has been taken—and certainly I have been honored in the past to appear before the committee chaired by the gentleman from Mississippi [Mr. WHITTEN], and my close friend and colleague, the gentleman from Illinois [Mr. MICHEL], and have been treated with respect—through the years, the bill that has been brought before the House by this subcommittee and presented on the floor has been accepted by a vast majority of the Members of the House on both sides of the aisle.

Mr. Chairman, I just take this time to add my compliments and my words of encouragement and praise that this has happened again, and I hope that the Committee of the Whole House on the State of the Union will stand up and be counted this time as it has been so counted in the past.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. STALBAUM].

(Mr. STALBAUM asked and was given permission to revise and extend his remarks.)

Mr. STALBAUM. Mr. Chairman, I rise in support of this recommended agricultural appropriation but wish to direct my remarks specifically to that portion of the bill relating to the school milk and the school lunch program where the cuts which had previously been recommended to be made have been restored.

Mr. Chairman, I commend the committee on both items but particularly desire to commend the gentleman from Mississippi [Mr. WHITTEN] and the other members of the subcommittee with reference to the school milk program where a brandnew concept was contemplated in the proposal that was made to the committee. Not only was there a proposed cut of some \$82 million, but the proposal that was brought before the committee represented a far departure from that which had been in effect. Only children of families of limited means, through a means test, would be able to obtain milk under the program. All others would have to pay the full amount of the cost of the milk involved.

Mr. Chairman, I was joined in appearing before the subcommittee, I understand, by some 75 of my colleagues in the

House of Representatives, recommending that these cuts be restored, and they were restored.

Mr. Chairman, I am pleased that the Committee on Appropriations has seen fit to move away from the means test and to make this product available to all children in the schools, because the operation of the program in the past has proven that it is well to continue the program in this manner.

Therefore, Mr. Chairman, I want to say that I support the bill and certainly want to commend the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], and the other members of the committee for making this decision with reference to the school milk and school lunch program.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to my colleague the gentleman from Ohio [Mr. FEIGHAN].

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, to maintain the school milk and lunch programs is to make an investment in this Nation's most valuable asset—our children.

The improved health that results from better nutrition will be a rich and rewarding dividend.

Many teachers have told me that for thousands of children from low-income families, this program provided the nourishment which made it possible for them to concentrate on their studies and obtain the education they need to build wholesome and successful lives.

I was one of the first Members of Congress to protest when it was proposed that the school lunch and milk programs be curtailed.

I am convinced that such curtailment would be false economy. The American people, who are spending billions of dollars in the conquest of space, do not wish to save a few pennies at the expense of our children's health.

Medicare, of which I was cosponsor, was a landmark in the recognition of our national responsibility to senior citizens. The school milk and lunch programs institution was a similar landmark in the recognition of our responsibilities to youth.

Both programs should go forward—not backward.

We must not retreat in our efforts to make a better life for all our people, young and old.

I commend the table and distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN] and members of the committee for their timely action in the restoration of these funds.

Mr. MICHEL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DON H. CLAUSEN].

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of this legislation, the Department of Agriculture appro-

priation bill for the fiscal year 1967. My principal reason for rising to speak today is to emphatically express to the Members of this House my total disenchantment with the manner in which the President appears to have manipulated this budget. While I realize these may be harsh words, I believe the American people must be forthrightly told the true story of what gives every appearance of political manipulation of the budget.

If one will carefully review the history of this year's budget you will arrive at one basic and continuing conclusion—the President has inserted all of his pet programs, and deleted items that have been very acceptable programs in the past. The school lunch and special milk programs are a glaring example.

Mr. Chairman, I do not think it is fair to the children of this country nor do I think it is fair to the school boards, teachers, and more particularly the school administrators to be subjected to this kind of treatment—keeping them in suspense while the behind-the-scenes wheeling and dealing goes on.

The people responsible for the preparation of their school budgets have written a multitude of letters expressing their concern over the discontinuance of the school lunch and milk programs. They feel the same way about the impacted area financial assistance deletion.

Mr. Chairman, these people must plan their budgets well in advance. Also, they cannot resort to deficit financing. In order to carefully plan for the financing of their educational programs, they should have at least a year's notice before any major changes in the income from the State or Federal Government takes place—commonsense suggests that we in the Congress and the executive branch have the responsibility to consider the effect any major legislative change at the Federal level of government will have on other political subdivisions of our federal system. Common decency suggests the local school districts have a right to demand this consideration.

I want to thank the members of this committee for honoring my repeated requests to reinstate the funds to continue the school lunch and milk programs—it renews my faith in the integrity of the House. The children and school people of the First Congressional District of California thank you.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Hawaii [Mr. MATSUNAGA].

(Mr. MATSUNAGA asked and was given permission to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 14596, the Department of Agriculture appropriation bill for 1967.

I commend the chairman and members of the Subcommittee on Agriculture Appropriations and the chairman and members of the Committee on Appropriations for the action they have taken in restoring cuts in appropriations for the special milk program and the school lunch program.



Thanks to these two sound programs over 70,000 schools in 1965 were able to offer well-balanced lunches and over 92,000 schools were able to offer special milk supplements to their students. In Hawaii, figures are particularly high. In fiscal year 1965, of our some 190,000 elementary and secondary school children, 126,155, or about 66 percent, benefited from federally subsidized school lunches, and our children consumed over 5,300,000 half pints of milk under the special milk program. For the children of Hawaii, as for many of the Nation's children, school lunches and school milk have become as much a part of the regular schoolday as their homework.

Now the school lunch and special milk programs are seriously threatened. The Bureau of the Budget has recommended that in fiscal year 1967 funds for these programs be severely reduced. The school lunch program would be cut from \$103 to \$21 million, and the milk program would be cut from \$202 to \$183 million. The probable results of such drastic cutbacks have aroused the concern of parents, educators, and school administrators all over the country and it is no wonder. A reduction in the Federal reimbursement rate would result in higher costs to the school districts. They in turn would be forced to pass these costs on to the children, many of whom would have to drop out of the programs.

In Hawaii, for example, the \$174,000 allotted to us for the special milk program in fiscal year 1966 would be slashed to \$36,000 in fiscal year 1967. This is a cut of nearly 79 percent and it is a cut for which our local school districts would simply be unable to compensate. We would have to charge our children a greater price for their lunch and milk, and for all practical purposes the aims of both programs would be defeated. Many children who want and need milk and a hot lunch would no longer be able to afford them. Participation in the school lunch program and the consumption of milk would decrease markedly.

Mr. Chairman, I do not accept the reasoning that most children can afford to pay the full cost of a school lunch and milk and that present programs should therefore be limited to the needy. I do not think that a child's participation in a federally supported school lunch or school milk program should be at all determined by the level of his family income. Nor, frankly, do I see how it could be without some kind of humiliating means test.

My colleagues on the House Committee on Agriculture and I are in complete agreement as to the great contributions which the school lunch and the special school milk programs are making to the health and vigor of America's youth. Last month we unanimously adopted a resolution to oppose the Bureau of the Budget's recommended cutbacks on these programs. We also offered our support and assistance to the House Committee on Appropriations and the Agriculture Appropriations Subcommittee in providing adequate funds for these valuable programs.

Mr. Chairman, it is gratifying to note that in the bill on the floor our Committee on Appropriations has in its wisdom restored the budgetary cuts in these two programs. In his state of the Union message, the President pledged that the Nation's children must not be the victims of a false economy. With such a pledge I am sure we are in complete agreement. Consistent with such pledge, the Nation's children ought to be assured of the continuance of these two vital programs in our schools. Our committee has pointed the way. H.R. 14596 now deserves our unanimous support.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, coming from a basically agricultural area of Texas, I am deeply interested in all the facets of agriculture.

The appropriation that the chairman, the gentleman from Mississippi [Mr. WHITTEN], and other members of the subcommittee, are bringing forth today realizes fully the facts of agriculture and the legislative facts of the situation that we face today both in our country and the world.

Mr. Chairman, I want to commend very sincerely and very strongly our colleagues for the forthright action they have taken in behalf of the citizens of this country and especially in behalf of all who are concerned in agriculture, which is the backbone of our Nation.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. EDMONDSON].

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, I rise in support of the committee bill and want to commend the distinguished chairman and members of the subcommittee for an outstanding job.

The restoration of cuts in funds for the school lunch and milk program, and other restorations affecting vital programs like soil conservation and REA, are deeply appreciated. I testified for these restorations before the subcommittee and am sure the committee action will be upheld by the House.

Mr. MOELLER. Mr. Chairman, I rise in support of H.R. 14596. Especially am I pleased to note that the committee has restored those funds necessary to carry on the school milk and lunch program at the 1966 level. Experience has demonstrated the worthiness of the school lunch program. Whether children come from poor or wealthy families the need for nourishing food is highly essential for both body and mind of a pupil.

If this Nation can provide for aid to hungry children abroad, it most assuredly can make the same provision for the children of America.

Mr. SHRIVER. Mr. Chairman, I rise in support of H.R. 14596, the 1967 Department of Agriculture appropriations bill. Important actions have been taken by the Committee on Appropriations, on which I serve, which will insure the continuation of well established and

proven agricultural and consumer programs.

The President's 1967 agriculture budget recommendations proposed reductions in research, soil and water conservation, the agricultural conservation program, extension activities, special milk and school lunch programs, and insect and disease control.

Since the administration's budget was submitted to Congress, we have heard from our constituents and from agricultural authorities at our land-grant colleges and universities and other farm organizations of the damaging impact of the proposed cuts.

At a time when many young Americans are being rejected for military service because of physical defects traceable to nutritional deficiencies, it seemed inconsistent to cut the heart out of the milk program, and at the same time, reduce the school lunch funds.

The administration's recommendations to have the United States lead the world in a war against hunger but at the same time reduce by 13 percent annual appropriations for agricultural research have puzzled many Members of Congress including myself. The American farmer holds the key to this Nation's strength that can unlock the doors that hide hunger, poverty, and political strife around the world.

I certainly concur with my colleagues in the Appropriations Committee who believe that, with U.S. commitments in Vietnam and other parts of the world, it would be a serious mistake to agree to budget reductions which would weaken our highly efficient and extremely productive agricultural industry.

It is significant and highly commendable that the committee has been able to restore proposed budget reductions without increasing the overall total appropriations.

Mr. Chairman, on March 25, 1966, I joined with other members of the Kansas congressional delegation in appearing before the Subcommittee on Agriculture Appropriations, Committee on Appropriations. Under unanimous consent, I include my statement made before the subcommittee following my remarks:

STATEMENT OF CONGRESSMAN GARNER E. SHRIVER, OF KANSAS, BEFORE THE AGRICULTURE SUBCOMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, MARCH 25, 1966

Mr. Chairman, it is again a privilege for me to join with my colleagues from Kansas and with these interested citizens from my State in supporting the vital soil and water conservation programs. Your subcommittee and the other subcommittees have a difficult job this year in establishing priorities for appropriations. These are times when we must spend increasingly more for defense to back up our forces in Vietnam; and the administration is calling for increased spending on new domestic programs.

The Federal Government for many years has worked hand in hand with local and State bodies in the important job of soil and water conservation. Your subcommittee is to be commended for its leadership in assuring continued progress in this vital area.

Kansas by the actions of the State legislature this year continues to fulfill its responsibilities by appropriating the necessary funds for watershed planning and for direct assistance to soil conservation districts.



County governments also are providing funds to soil conservation districts on a matching basis with the State.

Since the President's proposed fiscal year 1967 budget was submitted to Congress, there have been a multitude of protests registered by many constituents through their Congressmen regarding the cuts made in several longstanding agricultural programs.

I urge the subcommittee to restore reductions made by the administration in the school milk and school lunch programs and in the essential areas of agricultural research.

In establishing priorities, it would seem that time-tested soil and water conservation programs should be adequately funded to permit continuing progress.

Soil and water conservation practices are essential weapons in the world war on hunger which now is under serious consideration in the House Committee on Agriculture.

The budget for fiscal 1967 is not adequate to insure necessary accomplishments. For example, once again funds for the agricultural conservation program should be restored to include the proposed \$120 million cut by the administration. Soil survey funds have been reduced by nearly \$3 million. More than 20 million acres of soil in Kansas remain to be surveyed. In addition, there is a need to increase the conservation operation budget of the Soil Conservation Service to provide more adequate technical assistance to soil conservation districts.

You already have heard of the pressing need to increase available funds for watershed planning. There are 32 watershed districts in Kansas, representing over 3 million acres, waiting for planning assistance. Significantly, in Kansas the State legislature increased State funds for watershed planning in fiscal 1967 by 50 percent. I urge the subcommittee to increase Federal funds for watershed planning to \$10 million and to \$80 million for watershed protection.

The merits of the Great Plains conservation program are well regarded in Kansas. More than 1,725 farms and ranches including a total of 1,660,000 acres in Kansas were being operated under Great Plains conservation contracts at the beginning of this fiscal year. However, there are approximately 5,000 applications for assistance in the Great Plains States which have not yet been serviced.

We are aware of the great strides which have been made in soil and water conservation as a result of this longtime partnership between the Federal Government and local and State governments. However, we are constantly reminded by nature that the job is far from finished.

I am sincerely interested in economy and want to see unnecessary Federal spending reduced wherever possible. The cultivation and preservation of our soil along with conservation and development of our water resources are important to our defense effort. The ability of the American farmer to provide for the future food needs of our Nation may depend on our continuing investments in these agricultural programs.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 14596, making appropriations for the Department of Agriculture and related agencies for the fiscal year 1967, and I commend the members of the committee for their actions in restoring the funds needed to continue the highly successful special milk program and school lunch program. As stated in the committee report of the bill:

The benefits of these programs to the health and dietary habits of schoolchildren of this Nation are well recognized.

Since the special milk program was initiated its acceptance has been remark-

able. It is open not only to schools, but also to orphanages, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. In fiscal year 1965, the special milk program was used by approximately 92,000 schools and child care institutions where 2,966,800,000 half pints of milk were consumed. At least three out of four children in school can obtain milk under the special milk program. Children who are in need of the nutritional values derived from milk so their bodies can grow strong and healthy. Any reduction of funds in support of this program is not in the best interests of these schoolchildren who participate in this program.

This is also true of the school lunch program. It has been of great value to our educational system throughout the United States. It provides nutritious lunches every day in the 70,132 schools participating in the program. Not only are the children, who receive the lunches, benefiting from the nutritional value the lunches provide, but they are also being taught proper eating habits, not to mention that in many cases, the lunches these children receive are the only balanced meal they get in a given day. Therefore any cutback in funds supporting the provisions of the school lunch program would be inconsistent to our programs of aid to help feed the hungry and needy children in foreign lands. Surely the needs of our own children should be our first concern.

The success of the school lunch program is evident by the tremendous increase of participation by schools across the land. Since 1947 the number of children receiving balanced lunches has almost tripled. By providing them with proper foods at lunch time it will help them to mature as much healthier, stronger, and possibly wiser adults. This is evident by the youngsters of 1947, the first to receive special balanced lunches, who are now making their way in life as healthy, ambitious citizens.

By continuing our support of the special milk program and school lunch program we are contributing much to the general welfare of this Nation. For the youngsters of today will be the leaders of tomorrow. If we wish to advance as a healthy, growing nation, with strength to meet the challenges of the future, then we cannot ignore our children that are in need of nourishment for their growing bodies. Both programs are dedicated to the benefit of all the children in our Nation, and I do not wish to deprive them of these benefits. I urge that we accept the bill now before us as reported by the House Appropriations Committee.

Mr. CULVER. Mr. Chairman, we hear a great deal today about revitalizing rural America, rural community development, regional planning for rural areas. And the issue is vital in my district, where only six communities have populations of over 6,000, and the remainder of the almost 450,000 people are spread over 7,220 square miles.

During the Easter recess, I met with the city officials of 18 communities in the Second District, to review Federal programs and local needs. In the course of these meetings, it became apparent that

the most urgent need of the rural communities is for adequate sewer and water facilities.

Last year, in Congress, we offered these communities a solution to this problem. On September 23, we authorized \$55 million annually for a new program of grants for the development of water supply and waste disposal systems in rural communities, and we appropriated \$20 million for the remainder of fiscal year 1966 to begin implementation of the program.

It has taken a while to advise local officials of this program, to stimulate local interest and activity, and to get formal applications prepared. But at this time, 19 communities in my district alone have submitted their applications to the Farmers Home Administration for these grants. The FHA in Des Moines advises me that it has already received 145 applications from Iowa communities, and this represents only a portion of the total number of communities which need sewer and water facilities. It would take an estimated \$28 to \$30 million just to fill these pending applications in one State alone.

I am extremely disappointed that only \$26 million has been appropriated today to continue this program, when twice that amount would scarcely be sufficient to meet present needs. We cannot expect to fill all these applications in 1 year. But, at the same time that we are asked to cut this program, which is just getting off the ground, we are being asked to provide regional planning funds for rural community development.

I am not protesting the merit of this latter concept. But it just does not make good sense to start a new, vitally needed program—one which attacks a very basic problem of rural community development like this sewer and water facilities program—only to cut it back just as it is getting established, to begin again elsewhere.

I am hopeful that the Senate will see fit to take steps to strengthen this important section of the agriculture appropriations bill, to insure the effective implementation of this vital program.

Mrs. MAY. Mr. Chairman, I rise in support of the Committee on Appropriations' action on the agriculture appropriations bill and would like to say further that I feel this is, perhaps, the best committee report I have ever had the pleasure of reading. While bringing about a meaningful reduction in appropriations for Department of Agriculture spending, the committee has restored the agriculture programs the administration would have cut to the detriment of our entire Nation.

As the committee has said, and I quote:

If such a policy as the administration advocates were followed for only a few years, the United States would likely be a food deficit country instead of one of abundance.

This is true. The House committee action was to restore the essential programs in agriculture and to cut out the fat. I am happy to say the committee has fulfilled its responsibility to the Nation in this regard, and I could not be more pleased.



The bill we have before us today will continue at fully effective levels our vital programs in research, insect and disease control, soil and water conservation, the agricultural conservation program, extension activities, special milk and school lunch programs, and loan ceilings for rural electrification and telephone programs.

I am sure, Mr. Chairman, that the action of our Appropriations Committee was fully responsive to the consensus of opinion in both this body and that of the entire Nation. The committee action is fully responsive to the resolution adopted on March 24 by the House Committee on Agriculture, on which I am privileged to serve, which opposed the administration's proposed budget cuts in agriculture and offered the House Committee on Agriculture's support and assistance to the Appropriations Committee and to each Member of Congress in providing adequate funds for these various programs.

I was especially pleased to note on page 21 of the Appropriations Committee's report in which the dean of agriculture of one of our large universities made the following statement:

If sustained, the proposed reductions in Federal funds for land-grant institutions are likely to have long-range consequences of an undesirable character in addition to immediate effects on production. \* \* \* Research is not a stream to be turned off and on a short notice when crises are solved or to solve new ones. Efficient solutions to problems, including emergency problems, increasingly rests upon fundamental research. Results can be accomplished only if long-term governmental and institutional commitments are continued.

This quotation, Mr. Chairman, was taken from the testimony of Dr. Louis L. Madsen, dean of the College of Agriculture of Washington State University, in my district.

Dean Madsen's concern, which I completely share, was justified in every respect. This concern, shared throughout my district, was succinctly stated in a letter I have just received from the Kennewick Highlands Grange No. 1037 in my State. I would like to quote from just a small portion of this letter:

Funds for the carrying on of research, extension, and teaching are allocated by the Federal Government for the solving of critical problems in animal husbandry, horticulture and agronomy. \* \* \* Now the Federal Government has made drastic reductions in funds to the extent that highly trained personnel, extension work, and valuable and important laboratories are being entirely eliminated or greatly restricted.

The letter goes on to say:

Of the laboratories to be eliminated, the one which will affect the State of Washington, not only now but for the years to come is the Western Wheat Quality Research Laboratory at the Washington State University. The laboratory, with its micromill, tested over 20,000 samples of wheat last year for milling quality, and over 70 percent were discarded from breeding program, the remaining 30 percent retained for further plant breeding for quality and yield. No other laboratories are in a position to do this work because of the growth of different varieties of wheat, or if they do, are not affected by the same plant diseases.

Now, I am happy to say, the Western Wheat Quality Laboratory at Washington State University will continue to operate, thanks to the action of our Appropriations Committee.

To each and every member of the Agriculture Appropriations Subcommittee and its chairman, and to each and every member of the full Committee of Appropriations and its chairman, and on behalf of the hundreds of concerned individuals in the Pacific Northwest and all around the country who have written to me, I wish to express congratulations for a job well done.

Mr. COOLEY. Mr. Chairman, I have requested this time and the indulgence of the House to commend and applaud our Appropriations Committee for restoring funds in this agriculture appropriations bill for the school lunch and milk programs, for land-grant college activities, extension service, experiment stations, crop research, such institutions as the Rural Electrification Administration and for other vital agriculture and agriculture-related activities where deep reductions had been recommended by the Bureau of the Budget.

I commend especially the leadership of the Honorable JAMIE L. WHITTEN, of Mississippi, chairman of the Appropriations Subcommittee on Agriculture, in the interest of our system of agriculture that has made this the best fed and best clothed nation on the face of the earth.

I have been in frequent communication with Mr. WHITTEN while this appropriations bill was in its formative stages. As chairman of the House Committee on Agriculture, I have given to him and the other members of the subcommittee my full support in their efforts to protect from severe and damaging slashes in funds these various programs vital to the interests of agriculture.

On March 24, 1966, I offered a resolution in our 35-member Committee on Agriculture, vigorously opposing the Budget Bureau's recommendations for cuts in money for these programs. Our committee unanimously approved this resolution, and I personally presented a copy to the Appropriations Subcommittee. I was accompanied to the subcommittee hearing by Chancellor John T. Caldwell of North Carolina State University, and other prominent persons from North Carolina, who specifically pleaded against the proposed reductions in funds for our land-grant colleges, for Extension Service activities and for research.

With the permission of the House, I shall insert at this point in the RECORD the resolution of our Committee on Agriculture. The resolution follows:

RESOLUTION OF THE COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES

Whereas the special school milk and school lunch programs have contributed to the health and vigor of America's youth without differentiation among children as to the economic status of their parents; and

Whereas the Budget Bureau now proposes an 80-percent reduction in school milk funds and the orientation of the milk and lunch programs primarily to children of needy families; and

Whereas to identify a child in its school as coming from a poor family in order for the

child to qualify for a glass of milk or a lunch would be an affront to the child and the family; and

Whereas our land-grant colleges, extension, research, and agricultural experiment programs, conservation programs, plant disease and pest control and eradication programs, credit programs, the rural electrification program, rural telephone program, inspection and other programs have enabled our farmers in a system of free enterprise to achieve mastery of the arts of food and fiber abundance, so that America now is the best fed and clothed Nation on earth; and

Whereas funds for these and other undertakings in agriculture would be reduced severely under the Budget Bureau recommendations for the fiscal year 1967; and

Whereas to follow the Budget Bureau in this direction would slow down progress in rural America, to the detriment of our farmers and consumers; and

Whereas the Budget Bureau's retrenchment proposals come at a time when legislation is under consideration to export American know-how and show-how in agriculture, so that hungry people of other nations may learn to feed themselves; and

Whereas this effort to deal with the world food crisis requires expansion, not contraction, of our education and research and experimentation programs in agriculture: Now therefore, be it

*Resolved*, That the House Committee on Agriculture vigorously opposes these Budget Bureau recommendations, and offers its support and assistance to the House Committee on Appropriations and the Agriculture Appropriations Subcommittee and to each individual Member of the Congress in providing adequate funds, through the legislative processes, for these programs so vital to the well-being of all Americans and so important to our aspirations to combat hunger and starvation in the free world.

Unanimously adopted March 24, 1966.

Mr. Chairman, the Appropriations Committee, in the bill presented to us today, has restored the funds for the programs considered by our Committee on Agriculture to be so vital to our agriculture and to the well-being of all the people of this Nation. I am confident that the House, in its vote today, will approve overwhelmingly the position taken by the Appropriations Committee, which under the able and brilliant chairmanship of Hon. GEORGE H. MAHON, of Texas, has endorsed the work and recommendations of its Subcommittee on Agriculture.

The wisdom of the Appropriations Committee, Mr. Chairman, is reflected in some funds denied as well as those indispensable funds restored.

I especially want to commend the committee for severely slashing the money requested by the Budget Bureau for the new cropland adjustment program. This is the program that has as its objective the retirement of additional millions of fertile cropland from the production of food.

Under existing farm production control programs the Government already is buying 60 million acres out of production.

Mr. Chairman, our Committee on Agriculture now is considering, and probably will approve this week, an administration-sponsored bill to launch a world war on hunger, through an expansion of our food-for-peace program. This legislation proposes that, whereas heretofore



we have shipped our surplus foods to hungry people around the world, we will now produce food deliberately for this purpose. Our surpluses are disappearing. We actually are calling back into production some of the 60 million acres now in retirement.

Mr. Chairman, it simply does not make sense to me that at this time, when two-thirds of the world is hungry and 12,000 die daily of starvation, and with some of the acres already in retirement being returned to production, that we should proceed with this cropland adjustment program to take out additional millions of acres. It would be cruel and inhuman. It is immoral.

I have called upon the President, as the Nation's first major step in the new world war on hunger, to suspend immediately and indefinitely the operation of the cropland adjustment program.

In its action slashing the funds for this program, I commend our Appropriations Committee.

It is reassuring that we have such a group of men on this committee who have brought to us general appropriations legislation which comprehends the interest of our farm people, the health and well-being of all our people, and is responsible to be agonies of hungry people in the free world. It is especially encouraging to see here today the strength of the support behind this legislation by Members representing urban constituencies. Mr. Chairman, I yield the floor in confidence that this bill will pass, with the support of rural and urban Members alike, and devoid of partisan and political considerations.

Mr. BINGHAM. Mr. Chairman, I join my colleagues today who are voting to maintain without diminution the appropriations for milk for children. Months ago I spoke out against reducing this program, which makes it possible for so many youngsters to get milk daily at a price which their families can afford. The recent increases in the cost of living place special burdens on low- and middle-income families and we must be particularly careful to avoid further economic pressures on these families.

I do not believe that it is necessary to cut domestic programs because of the increased cost of our overseas activities. However, if budget cuts must be made, let them not be made in those programs which are essential. I consider the supplemental milk program to be in this category.

A number of us introduced legislation to insure that the supplementary school milk program remains unimpaired. I would hope that the action of this House on this appropriation would make mandatory legislation unnecessary.

Mr. CLEVELAND. Mr. Chairman, I rise to announce my support of H.R. 14596, the agricultural appropriation of 1966. While I certainly do not support everything in this bill, I want to commend the distinguished Committee on Agriculture for rejecting the administration's efforts to eliminate or cripple many vital programs.

These programs, which the President sought to eliminate or reduce include:

The special school milk program.  
The special school lunch program.  
The Agricultural Research Service.  
The Cooperative State Research Service.

The Soil Conservation Service.

These Presidential recommendations would cut the heart out of some of the oldest and most valuable services provided by the Federal Government. The value they return to the Nation in knowledge, health benefits, and conservation are vastly greater than the relatively small sums they cost.

This is the second time this administration has launched an attack on the Soil Conservation Service, which does so much for the small farmer and landowner and so much for the cause of conservation.

The impact of the President's proposals on the traditional land-grant college program would be catastrophic.

In New Hampshire, the President's proposal would cut approximately \$280,000 a year in educational, research, and extension service funds from the budget of the State university.

This would not be economy, Mr. Chairman, it would be the ruination of tried and true programs that have been giving wonderful service for many years at extremely low cost.

#### COMMITTEE ACTED WISELY

The Committee on Agriculture, fortunately, has acted wisely in rejecting these Presidential requests. In response to pleas from all over the country, including my own, it has recommended that the House restore the contemplated budget cuts to their present levels. I heartily endorse this decision. The funds involved are but a tiny fraction of this enormous bill and would not pay for even a week's interest on the national debt.

Considering our commitments in Vietnam and other parts of the world, it would be a mistake to weaken in this manner programs vital to American agriculture, which is so vital to our domestic prosperity. Our heavy obligations make it more important than ever to provide adequate support for the essential services of the Department of Agriculture, including funds to the land-grant colleges. It is essential that we continue full support for our schoolchildren, for agricultural research, particularly against plant and animal diseases, and that we support the excellent work of the Soil Conservation Service.

The President's proposal is a direct attack on the welfare of schoolchildren and would harm the interests of small farmers and landowners. His proposal to cut drastically aid to the land-grant colleges, in the words of President John W. McConnell, of the University of New Hampshire, would be "a violent rejection of the 1890 action of the Congress which stated that this support should continue 'for as long as this Nation shall live.'"

I strongly urge the House to support the committee and vote to restore these cuts, which the President has proposed.

#### OTHER PLACES TO CUT

I am a strong advocate of economy in the Federal budget but not of false econ-

omy. The budget is filled with places where the economy ax may be applied—and should be applied—with good effect. Some of them are in this bill.

I refer to the heavy subsidies paid to the big growers, the corporate farmers, the plantation operators producing cotton, tobacco, and feed grains. Least of all can I understand our Government paying tobacco subsidies and paying to promote the sale of tobacco overseas and including tobacco shipments in foreign aid deals, such as the emergency food shipments to India we recently approved. What sense does it make to have one agency of the Government warning about the health hazards of using tobacco while another is underwriting its production and use?

We should cut the budget of the Appalachia program, a special interest program financed by the rest of the country for the sole interest of one region.

We should trim the fat out of the war on poverty, particularly in regard to the inflated payroll of its topheavy bureaucracy. We should trim wasteful foreign aid. We should eliminate funds for some of the big power-dam projects that are planned. I refer particularly to the Lincoln-Dickey Dam in northern Maine, a \$300 million hydroelectric project that is already obsolete before it is even started.

We should eliminate funds for the rent-subsidy program, a doubtful experiment at best, and certainly not one that should be undertaken with deficit financing and when the country is threatened with the possibility of still further tax increases.

These are but some of the areas that a really economy-minded administration could work effectively. But instead of this, it chooses to assault traditional, successful, valuable programs of proven worth.

I urge the House to reject this approach but also to seek real economies in over-costly programs such as those I mentioned above.

In addition, I want to state that particularly praiseworthy are Republican efforts, which I heartily endorse, to bar aid under Public Law 480 from going to countries that sell or permit their ships or aircraft to carry equipment, materials or commodities to Communist North Vietnam. I urge the House to adopt this proposal.

Mr. DONOHUE. Mr. Chairman, I hope that this House will very carefully review this bill, providing appropriations for the Agriculture Department and related agencies for the next fiscal year and approve it in such amounts as will reflect economic prudence, while at the same time preserving in substance those programs which have long proved to be in the best national interest.

The esteemed committee chairman has, in his persuasively authoritative and thorough comments, clearly explained the various provisions of the bill and their vital importance to our continuing national health and progress and international commitments.

I particularly trust that my colleagues will approve full appropriations to prevent any unwise and unwarranted reduc-



tion in the special milk and lunch programs for the promotion of basic health and nutritional development of our American schoolchildren. Certainly any wholesale restrictions on these programs could obviously have a seriously adverse effect upon the health and the learning of tomorrow's citizens and national leaders.

Further than this it is extremely questionable, as emphasized by recognized authorities, that any deep retrenchment of the funds required for our land-grant universities to maintain projected long-range research programs in the areas of agricultural damaging insects and diseases would be an exercise of intelligent or wise economy since such action would undoubtedly cost the country a great deal more in the long run.

Mr. Chairman, it would seem only basic commonsense for us to maintain an agricultural production system in this country which will assure an adequate supply of food, clothing, and shelter for an ever-increasing number of consumers who are completely dependent on this industry for their future well-being. Our serious task here is to act with realistic, economic concern, not only for our present welfare but our future development and let us hope that we can act with such responsibility without dangerously weakening our highly efficient and extremely productive agricultural industry which forms the base for our domestic prosperity and plays a major role in our foreign policy. Let us exert our every legislative resource to insure that the basic and vital programs of the Agriculture Department are operated in the most economical and efficient manner while we also attempt to reasonably insure that the Nation's national progress and international influence is sensibly and substantially maintained for our own and the world's betterment.

Mr. BOLAND. Mr. Chairman, I want to compliment the very able and distinguished chairman and members of his Subcommittee on Appropriations for the Department of Agriculture for restoring the cuts in the special milk program and school lunch program. I was pleased to vote to sustain these recommendations in the deliberations of the full Committee on Appropriations last Friday.

The school lunch and special milk programs are particular activities that make incalculably great contributions to education, health, and the war on poverty. They contribute greatly to the national defense and strength of our Nation. These programs enable a child to eat a well-balanced, hot lunch at school for a moderate price, provide children with one-third to one-half their daily nutritional requirements.

Mr. Chairman, in many parts of my State and my congressional district, these programs provide some children with their only balanced meal of the day. If adequate funding were not provided, tens of thousands of children, now paying for lunch, would be priced out of the programs and too many other children, now receiving free lunches, might well be deprived of needed nutritional supplementation. I understand that the average lunch price in Massachusetts is 26 cents.

However, this price is reduced for children of low-income families, and some children, because of family circumstances receive free lunches. All children are able to eat the same food, with their friends, with no stigma attached, without placing undue strain on their already strained family budgets. If the cut is not restored, this happy situation would not prevail.

Mr. Chairman, at a time when our Government is spending millions of dollars to rehabilitate school dropouts, is enlarging the food stamp program, and making a massive assault on poverty, it would be inconsistent to curtail a program that, not only adds to health, energy, and vitality of schoolchildren but helps them to stay in school.

From across Massachusetts and from my congressional district have come many requests from all quarters for the continuation of these programs at the present levels. These communications have come from educators, parents, businessmen—in fact, from all walks of life—from people who simply believe that the Nation is better served, its present and future a bit more secure, its strength preserved when its children are healthier, happier, and better educated. These programs go a long way to accomplish these ends. They ought to be preserved and expanded. This committee has responded magnificently to this appeal.

Mr. Chairman, I express the gratitude of many of the people of my district for the emphatic and decisive action taken by the Subcommittee on Appropriations for the Department of Agriculture.

Under unanimous consent I include with my remarks a sampling of the many and excellent appeals that have been directed to me, asking the Congress to restore the funds in these most important programs—the school lunch and special milk activities:

BROOKLINE, MASS.,  
March 9, 1966.

HON. EDWARD P. BOLAND,  
House Office Building, Washington, D.C.:

As parents, school lunch directors and nutrition education supervisors representing all Massachusetts communities, we the undersigned have assembled to analyze the impact of President Johnson's proposed budgetary cuts for both the school lunch and special milk programs.

We strongly oppose the proposed curtailment of \$23 million in the national school lunch program and \$82 million in the special milk program. These reductions would have a deteriorating effect on the nutritional well-being of approximately 1,200,000 Massachusetts schoolchildren.

Nutritional need exists at all economic levels. Restricting these accomplished programs to needy children only, thereby requiring classroom teachers to apply a means test in order to determine eligibility is certainly not consistent with the President's recently expressed philosophy wherein he asks that scholarship aid be extended on the basis of ability to learn rather than on the ability to pay. We believe, in keeping with this stated philosophy, that school lunch and milk programs be permanently established on a basis of nutritional rather than economic need.

We abhor, therefore, any recommendation of the executive branch, which would have the effect of converting both the national school lunch program and the special milk program into welfare programs. These pro-

gram have become an integral part of the accepted educational process and, as such, should be strengthened rather than weakened as proposed. Educators believe "you cannot teach a hungry child."

We strongly urge you to join in our crusade to protect the health and physical fitness of all Massachusetts schoolchildren not only by advising the leadership of both Houses of your opposition to the proposed cuts but as well by acquainting the appropriate Agricultural Committee members in each congressional branch of your feelings.

John C. Stalker, Commonwealth of Massachusetts, Department of Education, Boston; Thomas P. O'Hearn, Archdiocese of Boston, Department of Education, Boston; Dorothy Reed, Georgetown; Elizabeth White, Granby; Marion Moore, North Chelmsford.

Dorothy H. Griffin, Medford; Anna Ramocki, Adams; Dorothy Pope, Westfield; Lucille Johnson, Bolton; Neil Odum, Framingham; Lois Carley, Needham; Alfred Bettencourt, North Dighton; Berthana Richardson, Orleans; Marie Holland, Canton; Julius Candella, Wrentham; Bertha Hassard, Ashland; Evelyn Crew, Pittsfield; Sally Matera, Palmer; Elsie Campbell, Harvard.

Robert Thorburn, Concord; Esther Murphy, Lowell; Joyce Barry, Wellesley; Marion Williams, Falmouth; Marion Cronan, Brookline; Alice Hanley, Shrewsbury; Margaret Martin, Merrimac, West Newbury, Groveland; John C. Stalker, Boston; Frances Cullen, Hyde Park; Patricia Wunscheil, Cohasset; Bertha Hassard, Ashland; Frances Speare, Hopedale; Ethel Wright, Lexington; Georgina Schliepegreil, Brockton; Ruth Sutton, Tewksbury; Gladys Burgank, Gloucester; Louise Watts, Weymouth; Dorothy L. Callahan, Milton; Ruth N. Edson, Methuen; Priscilla Richards, Boston; Dorothy Donohue, Springfield.

WARE PUBLIC SCHOOLS,  
Ware, Mass., March 22, 1966.

HON. EDWARD P. BOLAND,  
Congressman from Massachusetts,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN BOLAND: The school committee of the town of Ware has directed me to write to you relative to the proposed cuts in the Federal budget in the school lunch appropriation and the special milk program.

It is the hope of the school committee that the Congress will act to restore these cuts for the following reasons:

1. The desire to have the school lunch program an educational program in food and nutrition available to all children, rather than to change the school lunch program to a welfare program. Under the existing program, the economically disadvantaged are permitted free lunches.

2. The economic difficulty that would be encountered by large families that would not come under the economically deprived formula.

Thank you for your consideration.

Respectfully yours,

DAVID M. RUSSELL,  
Superintendent of Schools.

THE COOPERATIVE SCHOOL SERVICE  
CENTER, UNIVERSITY OF MASSACHUSETTS,  
Amherst, Mass., March 22, 1966.

HON. EDWARD P. BOLAND,  
House of Representatives,  
Washington, D. C.

DEAR MR. BOLAND: School administrators are showing great concern about proposed legislation to curtail Federal reimbursement and surplus foods for school lunch programs.



Enclosed is a copy of a resolution unanimously passed by the superintendents of the school systems belonging to the Cooperative School Service Center at the University of Massachusetts, an organization consisting of 54 school systems in Western New England.

We respectfully request your support for this resolution, and trust that every effort will be made to maintain the present school lunch program.

Sincerely yours,

CLIFFORD V. JONES,  
Executive Secretary.

WEST SPRINGFIELD PUBLIC SCHOOLS,  
West Springfield, Mass., March 18, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

HONORABLE SIR: What our children eat is important for building and repairing body tissues; to regulate and maintain body processes; and to supply energy for body heat and activity.

Children eating well-balanced meals daily have a greater chance to maintain good health. This is the aim of all school lunch menus, as they are planned to meet at least one-third of the children's daily nutritional requirements. Good food is basic.

A school lunch program has far reaching health and educational benefits for pupils now and throughout their lives.

Let us continue to serve our youth with the program.

Yours truly,

CHRIS GRAMMATICAS,  
School Superintendent.

Elementary school principals:

Chester T. Somers, elementary superintendent, Alice R. Brutnell, Joseph J. DeLeo, Genevieve W. Coccehi, Dorothy Standish, Mary R. Godfrey, Donald F. Genrette, Paul E. Dion.

Secondary school principals:

Robert C. Shields, J. Joseph French, Robert I. Ryan, James C. Bampos.

SOUTH HADLEY PUBLIC SCHOOLS,  
South Hadley Falls, Mass.,  
March 22, 1966.

Hon. EDWARD P. BOLAND,  
House of Representatives,  
Washington, D.C.

MY DEAR MR. BOLAND: It again becomes necessary for me to communicate with your office to bring to your attention a recent action of the South Hadley School committee.

At their meeting on March 14, they unanimously instructed me to bring to your attention their deep concern regarding the proposed cutbacks in the school lunch and special milk sections of the administrative budget. Their lengthy discussion concerning this legislation indicated a sharp disagreement with the proposed budget reductions.

Special note was made of Senator PROXMIER's Senate bill which would continue the special milk program on a permanent basis.

It is our sincere desire that you do all in your power to prevent the proposed reductions and, at the same time, support those measures in existence or proposed that will continue these programs as have been in effect since 1946 and 1954.

Many thanks for your attention to the above issues.

Sincerely,

GERALD W. HOAR,  
Superintendent of Schools and Secretary to School Committee.

THE PUBLIC SCHOOLS,  
North Brookfield, East Brookfield,  
Mass., March 18, 1966.

Hon. EDWARD P. BOLAND,  
Representative, Second Congressional District, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE BOLAND: As superintendent of schools for the towns of North

Brookfield and East Brookfield, Mass., I have many and varied responsibilities. One of them includes protecting and maintaining the school lunch program.

Consequently, I am opposed to the proposed reduction in the school lunch program. I speak for the school committees of both towns; the parents and taxpayers of both towns; as well as for all the 1,200 children involved. Because of this, I appeal to you to make yourself heard opposing this reduction in Federal funds.

Sincerely,

MARTIN D. LEACH,  
Superintendent of Schools.

BELCHERTOWN PUBLIC SCHOOLS,  
Belchertown, Mass., March 4, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

DEAR REPRESENTATIVE BOLAND: This is to express my grave concern over the serious cuts in support for the school lunch program which are proposed by the administration.

We are already feeling the impact of reduced quantities of surplus foods. The outlook ahead is for even fewer such commodities.

The proposed reductions in milk and lunch subsidies mean that the local community will simply have to raise more money to keep an excellent program going or pass on the added costs to the children who can ill afford to bear them.

I strongly urge that you do everything possible to restore the proposed budget cuts so that local school districts may continue operating at least at present levels for the health and welfare of our young people.

Very truly yours,

FRANK M. DUNN, Jr.,  
Superintendent of Schools.

MARCH 14, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN BOLAND: This letter is regarding the proposed Federal budget cut of \$98 million in the school lunch program and the special milk program.

Concerning President Johnson's proposed cut, we feel such a cut would jeopardize the health and welfare of our Nation's children. All children regardless of financial background should benefit from getting enough milk every day, and they should have the opportunity to buy this milk at low cost. Also, all children should be allowed to have a good, well-balanced lunch at low cost.

The school lunch program and special milk program play an important part in the educational process of our children. The proposed cut would mean the end of hot meals in many schools and an increase in the prices by possibly 50 percent. Due to this increase in prices, many children would have to bring lunches from home which would not be able to match price-wise or nutrition-wise the value of the school prepared hot lunch.

It is indeed unfortunate that the children of this country will be the first to suffer from this proposed budget cut. Since this Nation spends vast amounts of money on health, welfare, and education programs for the rest of the world, it can certainly afford to continue its support for school lunch programs. Let charity begin at home and provide our Nation's children first.

Since the school lunch program is non-profit and meals are priced on a cost basis, this proposed budget cut would mean still further losses to the schools due to reduction in cash reimbursement or surplus commodities. Already there has been a serious depletion in surpluses and foods once considered as surplus commodities are no longer available to the school lunch program. Many of these surpluses are the high-protein foods that are essential to children's diets.

We urge you, Congressman, not to sacrifice our children's nutrition; speak out against this proposed budget cut.

Yours very truly,

GENEVIEVE T. HUDZIKIEWICZ,  
MARY MRUK,  
HELEN PEKULA,  
Valentine School, Chicopee, Mass.

SPRINGFIELD GIRLS' CLUB, INC.,  
Springfield, Mass., March 18, 1966.

Hon. EDWARD P. BOLAND,  
The House of Representatives,  
Washington, D.C.

DEAR SIR: The proposed cut in Federal funds for special milk programs for children has just been brought to our attention by John C. Stalker, Director of the Office of School Lunch Programs.

The Springfield Girls' Club serves children from needy and low income families throughout the year and especially in its summer camp program. For the past several years, we have enjoyed the privilege of being able to give these children an extra daily allotment of fresh milk because of this fine special milk program.

It would seem to us that the future nutritional needs of children are being overlooked—even the health of our future citizens being jeopardized—by the discontinuance of this program.

Agencies such as ours—and there are many of them—trying to meet overwhelming needs with small budgets can attest to the value of the milk program. We trust that you will do everything in your power to restore this aid to us.

Very truly yours,

Mrs. BERNICE G. LESLIE,  
Executive Director.

CAMP NORWICH,  
Huntington, Mass., March 7, 1966.

Representative EDWARD BOLAND,  
House Office Building,  
Washington, D.C.

MY DEAR MR. BOLAND: The Camp Norwich Board of Directors has just been advised by Mr. John C. Stalker, Director of the Office of School Lunch Programs, that the special support for the milk program and the USDA commodity program is being reduced for the fiscal year starting July 1, 1966.

During the past several years the Camp Norwich Board of Directors has been particularly pleased that it was able to participate in both of these programs in order to provide a more nourishing diet to the campers. The reimbursement moneys were credited directly to the camp program to provide a reduction of normal fees as a further benefit to the people participating in this private agency program.

We would urge a reconsideration by the Congress of this reduction in support, so that young people who are attending camp and summer schools may continue to benefit from these programs. Your attention to this matter is solicited.

Respectfully,

RAYMOND J. FERGUSON, Jr.,  
Executive Secretary.

PIONEER VALLEY  
GIRL SCOUT COUNCIL, INC.,  
Springfield, Mass., March 17, 1966.

DEAR SIR: I should like to request that you do all within your power to support the restoration of funds for the special milk program and for USDA commodities for use in summer camps.

My special interest lies with the camps operated by the Pioneer Valley Girl Scout Council of Springfield, Mass., where for many years the special milk program and the use of surplus foods have helped to keep camp fees within the reach of girls from lower income groups. An increase in fees which might be necessitated by loss of these aids could create real hardship for many families,



or make it impossible for many children to have the advantages of summer camp.

Any effort you may be able to make in this area will be greatly appreciated.

Sincerely yours,

BERTHA MEAD,  
Mrs. Milton Mead,  
President.

AGAWAM JUNIOR HIGH SCHOOL,  
Agawam, Mass., March 17, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN BOLAND: For the 20 years of its existence, I have worked in the school lunch program at the Agawam Junior High School. During this time I have seen the local program grow to the point where it is definitely filling a need. Curtailment of the Federal funds and the resulting increase in the cost of a meal, I am sure, will make it impossible for students who need a hot lunch to afford to get one.

Sincerely yours,

FLORENCE WOJNAROWICZ,  
School Lunch Manager.

SAFE DEPOSIT BANK & TRUST CO.,  
Springfield, Mass., March 11, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

DEAR REPRESENTATIVE BOLAND: I should like to request that you do all within your power to support the restoration of funds for the special milk program and for USDA commodities for use in summer camps.

My special interest lies with the camps operated by the Pioneer Valley Girl Scout Council of Springfield, Mass., where for many years the special milk program and the use of surplus foods have helped to keep camp fees within the reach of girls from lower income groups. An increase in fees which might be necessitated by loss of these aids could create real hardship for many families, or make it impossible for many children to have the advantages of summer camp.

Any effort you may be able to make in this area will be greatly appreciated.

Respectfully,

WHITNEY C. STILES,  
Treasurer.

CHAPIN STREET PTA,  
Ludlow, Mass., April 18, 1966.

Hon. EDWARD P. BOLAND,  
House Office Building,  
Washington, D.C.

DEAR MR. BOLAND: The Chapin Street PTA of Ludlow is deeply concerned with the proposed budget cuts in the special milk program which will reduce the school lunch appropriation by \$19 million. The proposed cut in the school lunch budget would mean an increase in the prices of the lunch. This could well mean the end of the hot lunch program in Ludlow, as it is a certainty that many more children will carry their lunch to school.

We ask that you give this proposed budget cut your deepest consideration and vote against it. It can prove to be nothing but detrimental to the communities in which many children will no longer be able to avail themselves of this very worthwhile program.

Very truly yours,

PHYLLIS BERNATOWICZ  
Mrs. Stanley Bernatowicz,  
Secretary, Chapin Street PTA.

Mr. ULLMAN. Mr. Chairman, in expressing my support for the Department of Agriculture and related agencies appropriation bill for fiscal 1967, I wish to extend commendations to the able chairman and members of the committee for their painstaking work on the measure before the House. My colleagues are

aware that the administration singled out agricultural activities for drastic budget reductions for the next fiscal year. As a result of these proposals, the committee was faced with an unusually large number of congressional and public witnesses seeking restoration of many of the proposed reductions. Throughout the many hours of hearings, the members demonstrated patience and understanding of public desires.

The bill before the House truly represents the "will of the people." And equally important, it will allow the Nation to maintain its unparalleled leadership role in the field of agriculture. In addition, many longstanding and popular Federal-State directed agriculture programs will be continued for the benefit of rural America.

I was particularly pleased to note that the committee has reversed the direction proposed in the 1967 budget. The restoration of \$12,204,400 for Agriculture Research Service is important to the Pacific Northwest. Under the proposed reductions, wheat research would have been virtually eliminated in our area. These funds will allow the research programs to continue with far-reaching benefits. Funds were also restored for Cooperative Research Service, special milk and school lunch programs, and the Agricultural Stabilization and Conservation Service was approved at the present year's level. I concur with the above actions.

I also favor the committee's disapproval of the administration proposal to shift \$10 million in payments to States from formula provisions of section 3(c) to nonformula provisions of section 3(d) of the Smith-Lever Act. My support is further directed to the committee's action restoring the rural electrification and telephone authorizations to the 1966 level, with appropriate contingency reserves.

Mr. Chairman, the committee authorized \$380,000 beyond the administration budget for construction of a soil and water laboratory at Pendleton, Ore. This facility will conduct research to develop technology to insure the preservation of our most fertile soils and the better utilization of soil moistures. I want to extend my thanks to the chairman and members of the subcommittee for their understanding cooperation and assistance in getting this project underway. It is of great importance to me and the citizens of my congressional district.

I urge my fellow Members to join in supporting the total appropriation of \$6,909,027,000 included in this bill. It is vital to our continued leadership in the field of agriculture, and to the well-being of the citizens of rural America.

Mr. FASCELL. Mr. Chairman, I rise to support H.R. 14596, and especially to congratulate all those who rallied to defend the school lunch program.

Food for children is our best investment. Children are not only our individual pride and joy, they are the Nation's hope for the future. During their school years—years of rapid growth and development—they build the muscle, the nerve, the heart and the brain with which they will serve themselves and their Nation for all the years and decades they

will have on earth. The deficiencies of diet, the malnutritions of that period, comes back later to haunt us as a nation. All too frequently we pay the bitter cost in terms of youth unable to pass health examinations; in illness, hospitalization, and even death during the productive years of life; and perhaps most serious, in a lack of robust health and energy of people who otherwise would make more adequate contributions to society.

Fully restored, this fund is not actually a costly program. In fiscal year 1966 the Federal contribution per lunch was about 10 cents, of which 4½ cents was cash and 5½ cents was in the form of usable commodities. This is indeed a small price to pay to assure one good meal of vital protective and energy foods for a growing child. These programs have done more than any other Federal program to improve diet for millions of our children. To continue, even to expand the program would be consistent with our laudable efforts in fighting malnutrition.

Even so, it is not easy to buck the budget proposals in the face of the various and several understandable pressures for economy more generally. Hence those who have stood firm for food for our children are to be thanked and congratulated for their hard sense and courage in a good cause.

Mr. HANSEN of Iowa. Mr. Chairman, the action of the House of Representatives this afternoon is extremely gratifying to those of us who have been working so hard on behalf of the restoration of funds vital to agricultural programs.

The school lunch and milk programs have proven themselves over the years and I would have hated to have had anything happen to them.

I am sure all Iowans are pleased with this action of Congress. Not only are we concerned for the health and welfare of our schoolchildren, but we are concerned for the long-term effects that soil and water conservation will have on our Nation.

The administration efforts to reduce expenditures are necessary and commendable, but I am afraid that I cannot agree that the recommendations of the Bureau of the Budget were wise. Economy in Government is important, but it would have been extremely shortsighted and false economy to make cuts in programs that are so vital to the productive capacity of our country.

The actions of some of my colleagues distressed me a great deal. Minority efforts to cut funds for soil conservation, REA loans, and the FHA program were ill conceived and politically inspired. I do not believe Iowans favor this kind of economy. I am pleased with the passage of this bill.

Mr. VIVIAN. Mr. Chairman, most of the programs funded in H.R. 14596, the Department of Agriculture appropriations bill for fiscal year 1967, are programs to assure adequate market prices to farmers through the Commodity Credit Corporation; or to support research to stimulate future productivity of farm lands; or to aid rural communities to develop needed economic resources. However, two particular programs in this bill directly affect not only farmers but



also a very broad cross section of American citizens; the special milk program and the school lunch program.

The Federal Government has contributed to school lunch programs since 1936. Since then, probably a hundred million children have had the benefit of a daily half-pint of milk, and of very reasonably priced hot lunches. In 1965, for example, daily hot lunches were served at reduced cost to 18 million children in 71,000 public and nonprofit schools.

President Johnson early this year suggested that the special milk and school lunch programs be limited to children of poor families, and that the funds thereby saved be used to provide hot breakfasts also. His proposal has evident merit. But educators in my district tell me that they are most anxious to avoid any legislative requirement to identify the children of the poor to their schoolmates, for they believe all the children will be detrimentally affected. Therefore, I support the Agriculture Committee's recommendation to continue the special milk and hot lunch programs as presently authorized.

Mr. MICHEL. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time and ask that the Clerk read.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

#### COOPERATIVE STATE RESEARCH SERVICE

##### *Payments and expenses*

For payments to agricultural experiment stations, for grants for cooperative forestry and other research, for facilities, and for other expenses, including \$48,113,000, to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$2,500,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7); \$2,000,000 in addition to funds otherwise available for contracts and grants for scientific research under the Act of August 4, 1965 (79 Stat. 431); \$2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$304,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, \$55,227,000.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time only to engage in a bit of colloquy here with my distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN] with reference to this item of cooperative State research where we have an amount aggregating \$48,113,000 and several other items. We do not single out here \$400,000 for production research for soybeans. Surely it would be the contention of the chairman; would it not,

that that work would go forward with roughly that amount of \$400,000, for production research on soybeans?

Mr. WHITTEN. May I say to my colleague, the gentleman from Illinois, it was the intention of the committee in transferring these funds from the individual item over to this item, to be certain that the work is carried on in the increased amount the gentleman mentioned. I would take this time to say that one of the bright spots in overall American agriculture is the soybean and I think this would be a very fine investment and it certainly was the intention of the committee to do as the gentleman suggests.

Mr. MICHEL. I thank the gentleman, and would say further for the record, Mr. Chairman, the Nation's farmers are being urged to plant more soybeans this spring to meet an unprecedented need for this versatile crop. Its vital oil and protein supply is in great demand.

This is significant to farmers of my own district, who produced 10,547,000 bushels of soybeans on 373,800 acres in 1964, according to the latest U.S. Department of Agriculture figures available for county production.

Undoubtedly, figures for 1965 will show an increase in production in my district in 1965 when Illinois production soared to 174 million bushels, an increase of 30 million bushels over 1964, putting the State far ahead as the leading soybean producing State in the country.

And yet more soybeans are needed. The National Soybean Crop Improvement Council of Urbana, Ill., in conjunction with the U.S. Department of Agriculture, is urging farmers to plant more soybeans this spring and increase their yields with better methods and management. The goal of a nationwide drive is 3.5 million more acres, nearly 10 percent more than last year's national planting of 34.5 million acres.

There is a great need for soybean's rich protein not only for livestock and poultry feeds and many other product uses, but to feed the undernourished millions of the world in the war on hunger.

The National Soybean Crop Improvement Council points out also advantages to the farmer in growing soybeans. Requiring less cost and labor than many other profitable crops, soybeans have definitely come into their own as a "money" crop.

By improving control of weeds and insects, better selection of adaptable seeds, improved harvesting practices, yields of from 10 to 15 bushels above the national average of 25 bushels to the acre are possible the council points out in a special issue of its publication, Soybean News, which is available to farmers.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

##### *Expenses, Agricultural Stabilization and Conservation Service*

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of

1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$126,558,000: *Provided*, That, in addition, not to exceed \$75,803,600 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$30,008,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

#### AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 20, line 24, strike out "\$126,558,000" and insert "\$128,558,000."

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, I offer the amendment on behalf of the committee. The committee made a reduction of \$11,074,000 in this agency, including CCC transfers for administrative expenses. A further review of the workload of the agency, particularly with reference to performance under contracts signed by the Government, which will cost in excess of \$1 billion annually, causes us to believe that perhaps we had been a little too tight on this item. In order to make certain that there are sufficient funds to make adequate performance checks and to keep the county and State offices at a level where this job can be performed, I have offered this amendment after checking with members of the subcommittee.

I also announce at this time that subsequently an amendment will be offered to reduce the amount of the cropland adjustment program by \$35 million. So while we would increase the amount of this program, later we shall offer an amendment which will save \$35 million, which comes from the fact that we are convinced that the funds will not be needed.

Mr. Chairman, I suggest that the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Page 21, line 2:



*Sugar act program*

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$80,000,000, to remain available until June 30 of the next succeeding fiscal year.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 21, on line 23, strike the period, and insert a colon and the following: "Provided, That none of these funds shall be used to make payments exceeding in the aggregate \$100,000 to any sugar producer."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

Mr. FINDLEY. Mr. Chairman, last year an amendment was offered to impose a \$50,000-a-year top on the amount that any farmer could get under any single farm program. The figure placed in this amendment is twice that. It is \$100,000 a year. Almost any figure from that figure on down would have been quite appropriate, in my view.

These past few months I have asked my constituents in a survey if they would favor a \$3,000-a-year limitation on direct payments to farmers. The answer is overwhelmingly affirmative, about 5 to 1. I am sure they would certainly be in accord with a limitation.

It seems to me that paying \$100,000 a year out of the U.S. Treasury to a single sugar producer is a very generous act, particularly at a time like this, when we have budget problems and when there are inflationary pressures which can be traced directly to Government fiscal policies. So I hope that this body will be in accord with this moderate limitation upon payments to any single sugar producer.

As I mentioned a little earlier today, the top 25 payments to sugar producers ranged from a high of over \$1 million a year to a low of over \$100,000 a year. This amendment would apply, at the most, to about 25 or 30 individual sugar producers in this country. They would not be impoverished, because the Department of Agriculture would still be authorized to make the very munificent payment of \$100,000 a year.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I come from a small farm area. I grew up on a small farm. I do not believe there is anyone in Congress who has a deeper and greater feeling for the small farmer than I do. But the secret of success of our economy has been that farming, like automobile building, and many other things, has gotten to a point where it is done on a commercial scale. If we attempt here to push back the amount of participation in producing sugar, sugar will be sold at \$1 a pound. I say that advisedly.

The sections which will be affected run from Hawaii to Puerto Rico, through the beet areas of the West, throughout the United States, and Southern States into Florida.

Let me explain to you what is involved. This is about the only nation throughout recent history which has had an adequate supply of sugar at a reasonable

price. Even when other things have gone up tremendously, sugar has been in ample supply and has been reasonably cheap, as compared with prices in other countries.

The Government levies a processing tax on sugar, which is a part of this retail price. Notwithstanding that, the retail price is at a very low level, comparatively.

These payments of taxes go to the Treasury and form a basis for paying out money to the producers in line with the amount produced. If we were to limit the amount that went to a single producer, this would make the sugar producers break down into very small operations. I say again that sugar prices will probably become \$1 a pound, as they are in some other places in the world.

While the amount is large which may be paid, that amount has been collected by taxes. The largeness of the payment is brought about by the big operations of the operators.

Let us not go back and try to feed a nation of 194 million people with a horse, or mule, and a plowshare. Let us not go back to building automobiles by hand. That is what this amendment would lead to. I hope the amendment will be defeated.

Mr. MOORE. Mr. Chairman, I rise in support of the Findley amendment. I feel that it is high time that this Nation put the other free nations of the world on notice that we will not tolerate their doing business as usual with the North Vietnamese and at the same time share the agricultural abundance of this Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Agricultural conservation program*

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1965 and 1966, carried out during the period July 1, 1964, to December 31, 1966, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1967 program of soil-building

and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$220,000,000, excluding administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

AMENDMENT OFFERED BY MR. RUMSFELD

Mr. RUMSFELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUMSFELD: On page 22, line 8, strike out "\$220,000,000" and insert in lieu thereof "\$100,000,000".

Mr. RUMSFELD. Mr. Chairman, I want to commend the subcommittee on their work on this very important piece of legislation. It is reluctantly that I offer this amendment.

The amendment is simple. On page 22, line 8, it reduces the funds for the agricultural conservation program from \$220 to \$100 million. This represents a savings to the taxpayer of \$120 million.

This \$100 million is the recommendation which President Johnson sent to the Congress of the United States. My amendment, very simply, would approve the recommendation of the President of the United States in this area.

The program has been in operation for a long time. Its purpose, of course, is to demonstrate and to encourage farmers to institute practices primarily for



soil and water conservation. Most of the practices which are currently being paid for under this program of \$220 million a year are well established and have proved to be profitable on the average farm.

I want to make it clear that I support this principle of the agricultural conservation payments program, but I do believe it is time for us to reduce it. I believe this is particularly true in view of the financial situation in this country in this year and our commitments across the globe.

Yes, not only has President Johnson recommended this reduction, but I believe three Presidents of the United States have recommended similar reductions. President Eisenhower, President Kennedy, and President Johnson all have recommended that this program, which was started in 1936, I believe, be reduced down to the \$100 million level.

I believe it is correct to assume that these recommendations by three Presidents were based on the premise that \$100 million would be sufficient to carry out the permanent type practices of this program which means so much in the conservation of soil and of water.

Also, the reduction is supported by the American Farm Bureau.

Clearly it is time for Congress to try to establish priorities in Federal spending. At some point we must look at our resources and look at our requirements and try to put those requirements in an order of priority, and then say, "Let us do those things which are urgent, to be sure, but let us set aside, reduce, or postpone some of those things which are of a less urgent nature."

This is the reason for my amendment.

Let me try to illustrate why I believe the administration was wise in recommending a reduction to \$100 million for this program in the crop year of 1967. I wish to make it clear that I am not picking on any particular State. I have chosen the States of Illinois, Indiana, and Iowa because I believe those are three of the great agricultural States of this Nation.

The practice of liming soil has long since been demonstrated by the experiments of the USDA and of the State experiment stations to be profitable. But, in spite of that fact, what is the situation in those three States with respect to liming?

In Illinois liming represented 43.9 percent of the total ACP payments of \$8.5 million to my home State of Illinois in 1964. It represented 44 percent of the total of \$6.6 million paid out in the State of Indiana for liming material. In the State of Iowa it was a lesser amount, yet it was 25 percent of a total of \$10 million which was paid to the farmers for liming materials.

I am not contending that no cost sharing program should be provided for liming. I am merely saying that it is wrong for the Federal Government to continue, year after year, to treat the land for soil acidity when this has long been established as a profitable practice. Clearly this program can be reduced this year, as President Johnson has recommended.

There is another point I want to make in connection with the program. It relates to the amount of money being utilized by this program for new type storage reservoirs.

I fully understand that storage reservoirs are a necessary part of water conservation, but the point I want to make is that the major portion of the money which is being paid out for storage type reservoirs is for livestock watering places, not for erosion control or irrigation water.

On page 67 of the latest report of the USDA on this program there is a table which shows the accumulative total of the various storage type reservoirs. I will give a few examples.

In Arkansas there are none in the erosion control category, there are 2,400 for conserving irrigation water, but there are 69,000 for livestock water.

In Texas, as an example, erosion control is 26,000, irrigation water is 930—yet, listen to this, 292,649 are for livestock water.

I contend, Mr. Chairman, that though there may be some reason for the Federal Government to subsidize farmers for digging water holes for their livestock, we would be hard pressed to justify such an activity on a sound basis to the extent recommended in this bill in this very, very difficult year. This is particularly true when we consider the fact that the primary purpose of this act as originally passed was soil and water conservation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. GERALD R. FORD, and by unanimous consent, Mr. RUMSFELD was allowed to proceed for 3 additional minutes.)

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield at that point?

Mr. RUMSFELD. I will be happy to yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I want to congratulate the gentleman from Illinois for offering this amendment. I intend to vote for it. I intend to vote for it for the reasons given by the gentleman from Illinois, including the fact that this was the figure that was recommended in the budget by the President. President Johnson in this case, as have his two predecessors, urged that there be some limitation and some reduction in the expenditures on this program. I think President Johnson is right, and I believe his predecessors were right. I think we ought to approve this amendment and bring the amount down to the budgeted figure.

Mr. RUMSFELD. I thank the gentleman.

Mr. Chairman, to conclude, there are a few important points. The people of this country want the Congress of the United States to act responsibly in the conduct of our fiscal affairs and in solving the fiscal problems facing us. There is increasing talk of a tax increase in this country. I think as each bill and each section of each bill comes before us this year we must ask ourselves if we are in fact establishing the proper priorities,

and if we are in fact balancing each possible expenditure against what you do not want, I do not want, and which no one here wants, that is, an additional tax increase on top of the excise tax increases which we have already seen this year.

I think the fact that three Presidents of the United States have recommended a reduction from the \$220 million level to \$100 million is important and significant.

Finally, Mr. Chairman, I think the very fact that the President of the United States in office today has said that this is how he feels we in this country should allocate our resources is significant. I urge Members of the House to consider the possibility that we may be voting on a tax increase later this year. Ask yourselves whether or not \$100 million is sufficient for these programs which have been in existence since 1936 and have done a good job in providing the initiative and a start for these programs. I think clearly we can reduce them by \$120 million as my amendment proposes to do. As a matter of fact, I suggest we cannot afford not to reduce them.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened with interest to the presentation of my colleague from Illinois. May I say, having been in Illinois and in Iowa and in the area he mentioned, that they are to be congratulated on the very fine and fertile soil they have. But this is a nationwide program. It is a long way from Vermont to Florida, and from Florida to California and Oregon, and from there to my State and many other sections of the United States. I agree that this is a time when we have to put first things first, but here is a program where more than 1 million Americans put up an equal amount of money, plus their labor, in order to try to save the soil of our country for the future. Here is a program that finances 510 technicians to help carry out the programs of the Soil Conservation Service.

Yes, Mr. Chairman, the watershed program of this Nation is one of the finest steps we have ever taken toward leaving a rich country for our children and our children's children. I am proud that this subcommittee some years ago provided \$5 million over the President's budget in order to set up 62 pilot watersheds to show the value of this program to the people of the United States.

Yet this amendment would cut out the Federal participation to the extent of about one-third in doing the work on those watersheds which everybody in the Congress has come to us and asked us to restore, unless it be the gentleman from Illinois; I do not remember him.

So this amendment is more far-reaching than it appears. This amendment would do drastic damage to the Soil Conservation Service and to the watershed program and would affect a million Americans who are spending their money and their time trying to preserve a rich country for the children that we hope to leave it to.

Mr. Chairman, I hope the House will defeat the amendment.



The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. RUMSFELD].

The question was taken; and on a division (demanded by Mr. RUMSFELD) there were—ayes 30, noes 75.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Appalachian region conservation program*

For necessary expenses, not otherwise provided for, to carry into effect section 203 of the Appalachian Regional Development Act of 1965, \$2,200,000, to remain available until expended.

*Cropland conversion program*

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, \$7,500,000, to remain available until expended.

*Cropland adjustment program*

For necessary expenses to carry into effect a cropland adjustment program as authorized by the Food and Agricultural Act of 1965, including reimbursement to Commodity Credit Corporation, \$125,000,000: *Provided*, That agreements entered into during the fiscal year 1967 shall not require payments during the calendar year 1967 exceeding \$95,000,000.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 25, line 20, strike out "\$125,000,000" and insert "\$90,000,000"; and on page 26, line 2, strike out "\$95,000,000" and insert "\$80,000,000".

Mr. WHITTEN. Mr. Chairman, this amendment is offered on behalf of the committee.

Mr. Chairman, at the time of the markup of the bill the committee was advised that the sum of \$125 million rather than the \$200 million recommended by the Budget, would be ample to carry out the cropland adjustment program, due to the slowness of the signups.

Subsequent to our markup, we have rechecked the matter and we are convinced that the amount suggested here of \$90 million will be ample to carry out the commitments of the Government under this program.

For that reason, Mr. Chairman, I hope the committee will accept the amendment which, in effect, would cut out \$35 million which we are convinced will not be needed.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment just to say very briefly that I support the committee amendment wholeheartedly. As a matter of fact I, frankly, would like to see it at a lower figure. I would point out that not only is the participation in this program up to expectations but as I predicted in an exchange with the Secretary of Agriculture, participation in the other feed grains programs will be down this year over last year. In my own district, for example, we found the following:

*ASCS wheat and feed grain programs—Acreage participation*

County	1965 base acres	1965 diverted acres	1966 base acres	1966 diverted acres	Participation in programs (percent)	
					1965	1966
Bureau.....	253,759	38,000	253,753	31,473	15.0	12.4
Marshall.....	97,979	9,955	97,606	7,393	10.2	7.6
Mason.....	137,780	24,191	136,264	23,711	17.6	17.4
Menard.....	85,364	11,361	84,560	8,765	13.3	10.4
Peoria.....	127,197	16,255	125,998	15,575	12.8	12.3
Putnam.....	37,903	2,297	37,903	1,301	6.1	3.4
Stark.....	85,751	10,657	85,029	7,223	12.4	8.5
Tazewell.....	174,972	18,324	173,967	17,750	10.5	10.2
Woodford.....	152,898	15,487	152,898	15,036	10.1	9.8

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I shall be glad to yield to the gentleman from Wisconsin.

Mr. STALBAUM. Am I correct in assuming that if we vote for the amendment, we are not, in fact, voting to reduce the program, but are merely voting upon this amount because it is all that appears to be needed with which to carry out the program?

Mr. MICHEL. The gentleman is absolutely correct. There is no intent to cripple the program. There was absolutely no testimony in the hearings that would justify a figure in excess of this one the committee brings to you.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Yes; I yield to the gentleman from Mississippi.

Mr. GATHINGS. I want to commend the subcommittee for reducing this figure by the amount in the amendment offered by the gentleman from Mississippi. The participation has fallen off because grain crops are needed to alleviate hunger and actual starvation in many parts of the world.

Mr. MICHEL. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Loan authorizations*

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, and to remain available without fiscal year limitation in accordance with section 3(c) of said Act, as follows: Rural electrification program, \$365,000,000, of which \$72,500,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$97,000,000, of which \$6,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

AMENDMENT OFFERED BY MR. BOW

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 31, line 5, strike out "\$365,000,000" and insert in lieu thereof "\$220,000,000".

The CHAIRMAN. The gentleman from Ohio [Mr. Bow] is recognized in support of his amendment.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, this amendment would cut the proposed REA loan authorization of \$365 million by \$145 million, down to the \$220 million requested by the administration. It is being offered not only as an effort to support the President in holding down the 1967 budget, but also as an effort to see if we cannot make some headway toward giving the Appropriations Committee the opportunity of passing on individual REA loan proposals that involve the construction of generation and transmission facilities by electric co-operatives. On the average over the past 5 years, REA loans for generation and transmission facilities have totaled 54.1 percent of all REA loans. A number of the generation and transmission loans were undesirable, in my opinion, and should not have been made. To have its greatest impact on achieving some control over G. & T. loans, the amendment should provide for a cut of \$197 million, which would be 54 percent of the \$365 million authorization proposed. I have limited the amendment, however, to a proposed cut of \$145 million.

REA LOAN AUTHORIZATION

The basic purpose of the Rural Electrification Act of 1936 was to promote, through the use of long-term Federal loans, the furnishing of electric energy to persons in rural areas not receiving central station service. This purpose, expressed in the act itself, was repeatedly reiterated in congressional committee reports and in floor debates during the early years of the program. It was intended to be, and was for the first two decades or so, purely a development program. Its objective was to provide Federal financial assistance to aid in the electrification of the farms and rural areas of the country that were not re-



ceiving the benefits of central station service. In 1936, nearly 90 percent of the 6.8 million farms in the United States were without such service. By 1940, although the total number of farms decreased to 6.1 million, the number of farms with electricity was three times that of 1936, and the percentage of farms without electric service fell under 70 percent. Ten years later—1950—77 percent of the farms were electrified. In 1964 more than 98 percent had central station electric service.

The electric companies participated, to some degree, in this progress, but the rural electrification program was providing the means and impetus for much of the sharp increase in electric service that took place in rural areas.

By the late 1940's, the Rural Electrification Administrator testified before congressional committees that the need for Federal assistance for the electrification borrowers would gradually diminish as they gained in experience and internal strength. The Administrator pointed out that the rural electric systems were moving toward a healthy self-reliance and less dependence on the Government.

The purpose of development programs, such as the rural electrification loan program, is to provide assistance to compensate for inherent disadvantages in a region until the area is sufficiently established to take its regular place in the economy and free market. This is the basic purpose and justification for development programs, be they domestic or international. To continue aid once the basic objectives are met, serves only to weaken and undermine the primary thrust of the program. The recipients can become strong, self-reliant, and able to assume equality in society only as they move toward the exercise of their own abilities and efforts.

The REA program has been an outstanding success. In the 30 years of its life, it has largely achieved the purpose for which it was created—the electrification of the farms and rural areas of America. The great progress that has been made is demonstrated by the data contained in the following table:

*Number and percent of farms receiving central station service*

Date	Number of farms	Farms receiving central station service	
		Number	Percent
Jan. 1, 1935.....	6,812,350	743,954	10.9
Apr. 1, 1940.....	6,096,799	1,853,249	30.4
Apr. 1, 1950.....	5,382,134	4,154,359	77.2
June 30, 1964.....	3,481,400	3,413,950	98.1

Today, there remain few farms and rural areas that want central station service that do not have it. It would seem that the point has been reached where needs consist almost entirely of supplying the normal load growth of existing customers unless the intent is to extend into new and different types of loads.

In accomplishing this remarkable progress the borrowers have also prospered in wealth, experience, and efficiency. At the end of calendar year 1964, the net worth of REA electric borrowers was 24.8 percent of assets; and revenues per dollar of investment in plant rose to 19.5 percent. Borrowers had made advance repayments of capital of \$268 million on June 30, 1965, and only five borrowers were in arrears more than 30 days on debt payments totaling only \$215,000. Three of these five borrowers paid off their delinquencies in less than 3 months after the end of the fiscal year. These records demonstrate their strong financial position. As for service, the average price of residential service to consumers was 2.23 cents per kilowatt-hour for co-ops compared to 2.31 cents per kilowatt-hour as a national average. In the last 10 years, the average monthly energy used by residential customers of REA co-ops has more than doubled and they buy more than two-thirds of all power sold by such systems. In 1964, the average number of kilowatt-hours used per residential customer was 5,472 or 25 percent more than the 4,367 average kilowatts used in 1964 by residential customers of investor-owned electric companies.

As the REA Administrator stated in his 1965 annual report:

The strength of rural electric systems, with increased responsiveness to the needs of their members, continued to grow in fiscal year 1965.

He referred to the important and effective equalizers provided by the REA program to overcome the handicaps faced by the borrowers. The Administrator stated that in addition to the equalizers supplied by the REA program, other equalizers, "basic to the eventual achievement of parity of rates and service for rural electric systems, must be developed primarily by the borrowers themselves, through their own resources and those of their State, regional, and national associations."

I agree fully with the Administrator. Now that the co-ops have reached a state of maturity they should start moving more rapidly toward the use of their own abilities and resources, if they are to become self-reliant, independent enterprises and fulfill their proper ultimate role in our economy. This clearly does not mean that the basic program should be discontinued. Certainly where the only or cheapest way to provide the service for consumers in rural areas not receiving central station service is through REA loans, adequate funds should be provided. On the other hand, where REA funds are used to finance loans for tremendous facilities whose purpose is to serve large power using industries like aluminum, as is the case in the recent Kentucky loan, which provides benefits and advantages to one company at the expense of others, then, I am convinced it is time for the Government to draw a sharp line and provide funds only for loans which come within the basic intent of the act.

Over the last 5 years, more than half of the REA electrification funds have been used for generation and transmission loans as distinguished from distribution and consumer facilities loans. This is confirmed by a table compiled from REA annual reports, which is at the end of my remarks. The table reflects that in 1965 more than 60 percent of the funds were used for generation and transmission facilities.

I am not going to say that each and every dollar loaned for generation and transmission over the past 5 years was either unnecessary or outside the intent of the basic act. It is obvious from the record, however, that most of them were questionable or at least controversial, and probably quite unrelated to rural electrification as such.

It would seem to me not only desirable but necessary that the conflict and confusion which have existed over generation and transmission loans during the last few years be brought to a halt. It is not in the interests of the co-ops, the electric companies, the Government, the Congress, or the country that they be continued. We should be able to resolve these matters wisely and fairly. When loan requests arise involving large sums of money for generation and transmission, opportunity should be afforded for adequate review and evaluation, both within and outside the Congress, to be sure the expenditure is justified and proper. We insist on such a procedure when the Government itself is proposing the construction of a project. How can we afford to do less when we are acting as a banker, financing work to be done by someone else? A project of such size should not be undertaken without adequate planning and analysis and this takes time. When found justified, such items can be handled individually as supplements to the regular annual appropriation for the agency or in appropriations for subsequent years. Quickie decisions are suspect on their face. Pressures for urgency usually stem from a desire to avoid careful analysis rather than from the existence of any real emergency. Furthermore, sound power planning dictates long leadtimes. This procedure would provide for an independent review which certain other loan programs require.

The advances for generation and transmission loans over the last 5 years have averaged 54.1 percent of the total electrification program—30.5 percent for generation and 23.6 percent for transmission. Assuming the 5-year average would prevail in fiscal year 1967, the amount that would be required for other than G. & T. loans would be 45.9 percent of the budget's proposed loan authorization of \$220 million, or \$100 million. If my amendment prevails, and I hope it will, there will still be \$120 million of loan authorization provided in the bill that can be used for generation and transmission facilities loans.

The Rural Electrification Administration table on electric loans by purpose is as follows:



*Rural Electrification Administration—Electric loans by purpose, fiscal years 1961–65*

Fiscal year	Distribution		Generation		Transmission		Consumer facilities		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1965.....	\$150,436,564	39.6	\$126,072,074	33.2	\$103,019,362	27.1	\$465,000	0.1	\$379,993,000	-----
1964.....	158,863,833	60.8	47,714,639	18.2	54,370,528	20.8	510,000	.2	261,459,000	-----
1963.....	155,411,913	45.6	113,989,206	33.4	69,377,881	20.3	2,242,500	.7	341,021,500	-----
1962.....	103,811,846	39.7	98,885,409	37.8	56,446,745	21.6	2,230,500	.9	261,374,500	-----
1961.....	120,472,388	43.9	77,108,401	28.1	74,830,429	27.2	2,096,000	.8	274,507,218	-----
Total for 5 years.....	688,996,544	45.4	463,769,729	30.5	358,044,945	23.6	7,544,000	.5	1,518,355,218	0.5
5-year average.....	137,799,309	45.4	92,753,946	30.5	71,608,989	23.6	1,508,800	.5	303,671,044	.5

Source: Annual reports of the Administrator, Rural Electrification Administration.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the distinguished gentleman from Michigan.

Mr. GERALD R. FORD. I thank the gentleman from Ohio. The ranking member of the Committee on Appropriations deserves great credit for offering this amendment, which would reduce the amount of the 1967 bill before us by \$145 million. The figure that the gentleman includes in his amendment is the figure that was recommended by the President in his budget for the fiscal year 1967. I congratulate the gentleman from Ohio. I intend to vote for his amendment, and I hope that the amendment is adopted.

The CHAIRMAN. For what purpose does the gentleman from Mississippi rise?

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, my friend and colleague on the other side has presented just part of the picture. The President's recommendation took into consideration a dual financing program whereby the REA system could go into the private markets and borrow money. That bill has not passed, and it is not law. So we have to consider the amount of budgetary ceilings that were in the budget that came to us.

Let us see what the amendment would do. About 80 percent of the United States is served by the rural electrification system. So anything that would serve to cripple the REA would mean crippling about 80 percent of the geographic area of the United States.

Not only that, but we all know that you cannot keep people on the farm. As a result, they have had to turn to REA power and other sources of power to offset the loss in manpower.

I should like to point out that in areas covered by the REA system there is an average of about 3 customers per mile, whereas in areas served by private companies there is an average of about 30 customers per mile.

I should like to point out further that if we do not permit the REA to borrow moneys which is repaid with interest, as the amendment would keep it from doing, it would mean that the market for private power would be cut down.

Let me illustrate that point. About 35 percent of the power requirements of REA are bought from the private power companies. That does not include municipalities. In the fiscal year 1965 the REA Cooperatives bought \$5.8 million more electricity from the power companies than they did the year before.

I should like to point out again that this figure is the ceiling that would be imposed by the Congress on how much the Administrator can lend. Under the basic law, he would not be permitted to lend except upon a proper showing of need and the putting up of the system as collateral security for the loan.

So I am just saying to you that, when we impose too low a ceiling, we are taking away the bargaining position of the REA Cooperatives and affecting their efforts to get reasonable rates and terms from the power companies. We would be ignoring the fact that the REA is buying more and more electricity each year from the private companies, and as they buy more and more current, the REA is having to put in larger lines to carry it.

Now that we have so few people down on the farm, and 800,000 of them have been leaving every year, and with the situation in Vietnam, and with nobody able to get anybody to do anything, now is a poor time to vote down a substitute for human labor—electricity.

Let us vote this amendment down.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this bill provides for \$365 million in new loan authorizations for the Rural Electrification Administration, an increase of \$145 million over President Johnson's budget request. In view of the type of loans recently made by the REA Administrator, I find this sizable boost in loan authorization difficult to reconcile, at best, with the President's budget and I did as a matter of fact reserve on this item in the subcommittee.

The President's message states, "The Rural Electrification Administration is continuing to emphasize the negotiation of reasonable contracts under which REA-financed systems purchase power from other suppliers. Such contracts will reduce the need for generation and transmission loans."

During hearings on the 1967 agriculture appropriations bill it became apparent to me that the REA is not "continuing to emphasize the negotiation of reasonable contracts under which REA-financed systems purchase power from other suppliers." Indeed, our committee reiterates in our report:

The primary function of the rural electrification system is to provide and distribute electricity to rural and farm customers at reasonable rate. The construction of power-generating facilities is a secondary function considered to be necessary to preserve the bargaining position of REA cooperatives in securing power at reasonable rates and under reasonable terms. The Administrator of REA is expected to observe these basic concepts in carrying out his responsibilities under the law. The Congress has always attempted to

protect the bargaining power of the REA with respect to negotiation of power contracts with private utility companies, through the approval of adequate loan funds to provide REA-financed power generation facilities where alternative sources of power are not available on proper terms. It charges the Administrator with the responsibility, in turn, to make certain that every reasonable and practical effort is made to secure power from private sources prior to approving loans for new power generation construction.

It has become disturbingly apparent that the Administrator has not made certain that every reasonable and practical effort was made to secure power from private sources prior to approving loans for new power generation construction.

The Supreme Court of the State of Colorado recently declared that an REA-financed generating plant in Hayden, Colo., "requiring an investment of approximately \$30 million, is not necessary to supply any present or foreseeable future electric requirements." The Colorado-Ute case clearly revealed the Administrators' unsound judgment in releasing more than \$22 million for construction of a generation plant at a time when the loan was being litigated in the courts. Incidentally I criticized this loan and the advance of funds way back in 1962 in remarks on this floor. I predicted the Administrator would get in hot water over this one.

According to the Colorado Supreme Court:

Adequate electric service is already available in the State of Colorado for the needs and necessities of the proposed new customers of Colorado-Ute.

The court cited section 4 of the Rural Electrification Act which states:

No loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained.

The court made clear that both Colorado-Ute and the REA recognized that construction of the Hayden plant during litigation was attended with substantial risk and that they engaged in the activity with full knowledge of the possible consequences. Despite this understanding, REA advanced the funds and Colorado-Ute spent them to construct the Hayden plant.

Mr. Chairman, the Rural Electrification Act of 1936 gives wide discretion to the Administrator for making loans. As a public official and guardian of funds entrusted to him he should exercise every degree of prudence in administering the program. Because Congress authorizes only lump-sum amounts for loans and does not designate the use of funds for



construction purposes as it does with other Federal power agencies, the Administrator should lean over backwards to comply not only with the letter but with the spirit of the law and with the policy directives of the Congress. To do otherwise, in my judgment is incomprehensible, and endangers the status of the program. Unfortunately, however, the present Administrator has often side-stepped and stretched the intent of the law. Let me remind my colleagues that Colorado is not the only State where REA funds have been released while litigation is in process.

In Indiana, for example, the REA Administrator has, during the last year, advanced loan funds to the Indiana Statewide Rural Electric Cooperative for construction of a generation and transmission system while the very right to construct the facilities is pending in the higher courts of that State. This is a loan that has been shown to result in higher cost power to the distribution cooperatives. The 16 cooperatives to be served in Indiana by Statewide now receive their energy supply from electric companies at distribution voltages at an average rate of 8 mills per kilowatt-hour, and at transmission voltages the rate is 7½ mills per kilowatt-hour. Studies have been made which reveal that Statewide would have to charge about 10½ mills per kilowatt-hour in order to break even. The distribution cooperatives are required to make 35-year contracts with Statewide, and are denied the right to purchase power from any other supplier. It has been estimated that the distribution cooperatives would save approximately \$1,900,000 annually by purchasing their power from existing suppliers. Furthermore, the 1965 loan was made contrary to congressional directions. It was approved without making any attempt to obtain the necessary power and energy requirements of the cooperatives from existing suppliers as required by both the Senate and House Appropriations Committees in their instructions to the REA Administrator in committee reports on appropriations bills.

I have never attacked the personal integrity of the REA Administrator and do not intend to do so now. However, it seems that in the circumstances of these situations the Administrator has demonstrated poor judgment in advancing Federal funds as he did. It would seem to me that when there are substantial sums of Federal money involved as there are in most of these REA generation and transmission loan situations, there must be some way of assuring that those who are responsible for the expenditure of Federal funds exercise reasonable care and diligence in their management. If the Administrator's judgment in the Indiana situation, and some of the other situations around the country, proves to be like his judgment in the Colorado-Ute case, then REA is in a sad state of affairs.

If the REA Administrator adheres to the directives of the Congress, and if he adheres to the principles which the President recognized in his budget message, it is clearly evident that the \$220 million budget request is substantially adequate for REA loan authorizations for

1967. For, indeed, this figure was arrived at, and must be considered in terms relative to total demands on the Federal Treasury; it is not an isolated request.

The National Rural Electric Cooperative Association stated, during this year's agriculture appropriation hearings:

NRECA requests that this committee recommend an authorization of \$612 million in electric-loan funds for fiscal year 1967.

But its demands are coupled with a complete inability to reveal the basis of their estimations:

This request is based on the latest loan-fund survey of our member systems.

What its member systems say they will need is scarcely a reliable basis for estimating their needs. My colleagues should make note of the fact that 1965 REA loans for distribution purposes totaled \$150.4 million, with \$69.8 million in distribution loan applications carried forward to fiscal year 1966. Why is there need for such a striking increase in funds for 1967, unless these funds are to be used for purposes not now eligible under the REA Act? I find it impossible to justify any increase in budget requests, particularly since 98.5 percent of the country's farms are receiving central station service. It is my sincere hope that Members will support the amendment and ask themselves, in considering 1967 new loan authorizations for REA, "What is the purpose of REA? Has it accomplished that purpose? What is to be the role of rural electrification in the future?"

I hope Members will support the amendment, which has been offered on the basis of good, sound judgment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 36, noes 79.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Rural housing direct loan account*

For direct loans and related advances pursuant to section 518(d) of the Housing Act of 1949 (79 Stat. 500), \$15,000,000 shall be available from funds in the rural housing direct loan account.

AMENDMENT OFFERED BY MR. FINO

Mr. FINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINO: On page 31, line 21, strike out "\$15,000,000" and insert in lieu thereof "\$10,000,000."

Mr. FINO. Mr. Chairman, I offer this amendment to cut the money which is going to be made available to finance the direct loan program of the Farmers' Home Administration. The figure proposed for the direct farm loan program in the bill before us is \$15 million. I propose to reduce it to \$10 million. The figure I am specifically referring to is the amount that can be made available for direct farm housing loans from the rural housing direct loan account.

I am offering this amendment because no Government-run loan program is more wastefully and improperly run than

this program. As a member of the Housing Subcommittee of the Banking and Currency Committee, I have had occasion to review some of the housing loan programs, and this one is clearly the worst.

Back in January of this year, the General Accounting Office reported on the Farmers' Home Administration direct loan program. The GAO determined that 20 percent of the loans which it investigated—I repeat, 20 percent—could have and should have been made by private credit. According to the GAO report, however, the county officials of the Farmers' Home Administration had no meaningful interest in enforcing the congressional requirement that direct loans be made only where private credit is not available. The county officials just went their merry way, making any loans they felt like. This is why I want to cut direct loan funds. They are badly misused.

To deal with this situation, I introduced a bill—H.R. 14139—on March 30 of this year to require a direct loan applicant to show proof that he has been refused private credit in order to qualify for a cheap Government loan. There is as yet, however, no sign that the Farmers' Home Administration has taken this warning to heart. I think their appropriation should be cut to teach them a lesson.

Cutting this appropriation will serve notice to the Farmers' Home Administration to play fair with private credit. Under the Housing Act of 1949, the Secretary of Agriculture can order any of these borrowers to refinance their unpaid balance with private credit sources. In my opinion, there are many Farmers' Home Administration loans outstanding that never should have been made. The Government can get out of these loans and avoid the need for part of this appropriation.

Now somebody might think I am advocating a sale of participations here. Not at all. I am advocating that the Government get out of certain loans. This is very different than keeping title to the loans and selling participations. The participation sales device is just a budget gimmick, and I completely oppose it.

Incidentally, it might be of interest that the administration wants to put \$600 million worth of Farmers' Home Administration loans into the proposed Government-wide loan pool. Obviously these loans are not being refinanced to bring in private credit. That could have been done by letting private credit do the job in the beginning. This program is one to cut back on, rather than expand through pool loans refinancing.

In closing, I might say that this loan program has gone far beyond its original purpose. It no longer serves the precarious small farms of the depression. Now it often makes subsidized loans to people who can afford private credit. It has even made loans for ski slides and golf courses.

I urge a reduction in Farmers' Home Administration direct loan funds from \$15 to \$10 million.



Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say that this \$15 million really is a reduction. When we passed the original Housing Act many, many years ago we provided a fund of around \$500 million for rural housing. That provision stayed dormant for many years, although it succeeded in getting some votes for the housing program. We in this bill put a limit of \$15 million on the amount of direct loans for building and improving rural housing. We changed that from farm housing some years ago. To be eligible for such loan you must show you cannot get private financing.

I am familiar with the Federal Housing Administration, which insures under the FNMA program. Unfortunately, though, in rural areas the banks and other lending institutions are not going to do this kind of financing of houses that are built over scattered rural areas.

In order that those Americans who may happen to live a little far removed from their next door neighbors have the same privileges as those who live in the cities and get this money and insure their mortgages with the banks and lending institutions, we have approved this means of financing. So it is on that basis that this \$15 million is provided, for those areas where the conditions that I described exist.

Mr. Chairman, I can agree that the General Accounting Office and our private financial interests ought to have made loans in this field. I felt they should have loaned me some money under certain circumstances. But they would not do that.

Mr. Chairman, we do not have it within our power to require financial interests to make these loans. Since we do not have that power, I believe it thoroughly sound to give those Americans who happen to live in areas where they are too far apart for private financial interests to insure the mortgage, this privilege. I say this because in our cities, such as the city from which my good friend, the gentleman from New York [Mr. FINO] comes, they have this privilege. May I say that I traveled over numerous sections of that city, including Harlem, and many other areas recently. I realize that you have some problems there, and I do not understand them.

Further, Mr. Chairman, the sum of \$5 million of this fund is for the housing for the elderly, a program which many people have supported, and which has progressed a lot better than many of us thought it might.

So, Mr. Chairman, I trust that the gentleman will not accept everything that the General Accounting Office says about what private institutions ought to do. I agree they ought to do it, but I can tell you they have not. As long as they will not do it, let us make it possible for all Americans, rural and urban, to have an equal opportunity to build and improve their housing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Federal Crop Insurance Corporation Fund*

Not to exceed \$4,150,000 of administrative and operating expenses may be paid from premium income: *Provided*, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, not to exceed \$500,000 may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 35, strike all language on lines 11 and 12, and insert the following:

"No funds appropriated by the Act shall be used to formulate or administer a Federal crop insurance program for the current fiscal year that does not meet its administrative and operating expenses from premium income: *Provided*,"

Mr. WHITTEN. Mr. Chairman, on that amendment I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

The gentleman from Illinois [Mr. FINDLEY] is recognized for 5 minutes in support of his amendment.

Mr. FINDLEY. Mr. Chairman, the Federal crop insurance program began on an experimental subsidized basis, so I am informed, in 1938. That was almost 30 years ago. Apparently it is still operating upon an experimental, subsidized basis. Each year we provide additional funds through the appropriations route to help bridge the gap between premium income and the operating and administrative expenses of the program.

There are a good many private insurance companies that are operating in the field of crop insurance, and I dare say more would come into the program and perhaps expand their coverage were it not for the unfair competition from the U.S. Department of Agriculture.

Gresham's law held that bad money tends to drive out good money.

The Curtis corollary to Gresham's law holds that Government services or Government money tends to drive out private money and private services. That definitely is a sound theory in my view. It applies to insurance services as it does to direct lending. As long as the Federal Government is operating on a heavily subsidized crop insurance program, private insurance companies cannot effectively compete. The effect of my amendment would be to require that the premium rates charged to the farmers who do sign up under the Federal crop insurance program be placed at levels that will cover operating and administrative expenses of the program.

It seems to me it is high time that the Federal crop insurance program be placed on a self-financing businesslike basis.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. WHITTEN] insist on his point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi will state his point of order.

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Illinois on the ground that it is legislation on an appropriation bill.

May I say that the gentleman from Illinois gave the matter away, in my opinion, when he said that the purpose of his amendment was to set premium rates that the Government would charge. I think that shows clearly what is involved. This amendment provides that no funds shall be used to administer this program under certain conditions. The program now in existence is based on contracts to which the Government is a party. For us in this bill to try to prohibit the handling of existing contracts on the part of the Government would clearly be legislation. It not only would be legislation but it would interfere with meeting obligations under existing contracts and commitments on the part of the Government.

For that reason, Mr. Chairman, I submit that the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Yes, Mr. Chairman.

Mr. Chairman, the amendment I have offered is clearly a limitation of funds, requiring that no funds be appropriated for the administration or formulation of programs. Therefore, on the basis of that it seems to me that the amendment is in order.

Mr. WHITTEN. Mr. Chairman, if I may make one observation, the amendment has to do with setting premiums and is quite clearly an affirmative action.

The CHAIRMAN (Mr. KEOGH). The Chair is prepared to rule.

The gentleman from Illinois [Mr. FINDLEY] has offered an amendment at page 35, striking out all language on lines 11 and 12, and the amendment would add a new paragraph; to which amendment the gentleman from Mississippi has made a point of order on the ground that it is legislation on an appropriation act.

The language sought to be inserted by the amendment reads as follows:

No funds appropriated by the Act shall be used to formulate or administer a Federal crop insurance program for the current fiscal year that does not meet its administrative and operating expenses from premium income:

It might be said that the effect of any proposed amendment is truly not within the competence of the Chair. But a reading of this language indicates to this occupant of the chair that there is here sought an express limitation on the funds appropriated by the pending bill and the Chair, therefore, overrules the point of order.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.



Mr. Chairman, now that the substantive issue is before the Committee, I wonder if the chairman of the subcommittee would not agree that this is a very desirable objective—granted that it had to be written in parliamentary language. Certainly the gentleman from Mississippi was correct that the object in mind is to relate this particular program to good sound insurance practice, which would mean that it would strengthen the program in the long run because it would put it on its own bottom where you are actually paying the premium that should be paid in order to get good crop insurance.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman.

Mr. WHITTEN. I just wish to say I cannot question that this is a worthy objective. But I am just saying, having worked with this program here through the years, that I am very proud that we have gotten to the point where it is becoming more and more self-supporting. Let us not destroy it as we are making progress. If the gentleman will look at the bill before him, he will see that we are paying more and more of the administrative costs from the premiums. Just do not rock the boat and destroy the program by trying to go along too fast. We are working on that.

Mr. CURTIS. Let me commend the gentleman for his observation. I do agree with him and this amendment is what enables the job to be completed. I do not think that is rocking the boat. As the gentleman from Illinois, the author of the amendment has said, this program has been going on since 1938. I think it is now time to put it on a sound basis. I urge the membership to support this amendment.

The CHAIRMAN. For what purpose does the gentleman from Mississippi rise?

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, I realize that perhaps I am repetitious to some degree. But let me repeat again that, as big as our country is, periodically we have had tremendous crop failures and other types of disasters that have hit various sections of our country. In the last 10 or 12 years when that has happened the Government has rushed in to pay the total cost in most cases of trying to rectify the damage resulting from those natural disasters.

The crop insurance program, as it was first set up, was set up to cover the country without giving due consideration to a broad enough base to make the fund actuarially sound. For those reasons no private companies in the United States were interested. Nor will they be interested today in taking over this insurance program. I defy anyone to claim that they will. But we then started back on a pilot program to see if we could figure out ways to get enough partici-

pants to provide a broad enough base to make the program actuarially sound.

As we have done so, we have gradually worked up to where it is doing a marvelous job and, may I say, the cost is probably one one-hundredth of what it would cost us if we did not have crop insurance in these areas of disaster.

Your committee is now working very hard, and has been through the years, trying to counsel and assist in an effort to see that high-risk areas are not included so as to pull down the other areas.

In this bill we are once again calling on the Crop Insurance Corporation to reflect a little more of the administrative cost in its premiums. I urge the House to go along with the committee as we work in this direction. Let us not kill a program that is doing lots and lots of good, when the private companies offer no substitute. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Page 36, line 1:

"COMMODITY CREDIT CORPORATION

"Reimbursement for net realized losses

"To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,500,000,000."

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 36, on line 6 strike the period, insert a colon and following:

"Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

Mr. FINDLEY. Mr. Chairman, one of the most distressing aspects of the Vietnam war is the shipping that goes into North Vietnam to nourish and equip the Communist forces that are involved in direct engagement with our own boys. This flow of shipping comes in both free world and Communist bottoms. The purpose of the amendment is to try to tighten up a bit on that shipping.

It is my understanding that some of the shipping that goes into North Vietnam is carried on Communist ships, but is supplied or furnished by free world nations, and vice versa.

This amendment would cut both ways. It would cut off from concessional sale advantage under title I or title IV of pub-

lic Law 480 any nation that either sells, furnishes or provides any commodities, equipment or supplies to North Vietnam or permits ships under its registry or aircraft under its registry to ship the same.

This is a rather modest step, but a step which is presently available to the House. Even though it falls far short of what I am sure most of us would desire in cutting back on shipping into North Vietnam, it seems to me a healthy step in the right direction, and I urge support for the amendment.

The CHAIRMAN. Does the gentleman from Mississippi insist upon his point of order?

Mr. WHITTEN. Mr. Chairman, I do.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTEN. Mr. Chairman, it is legislation on an appropriation bill in that it imposes new duties, new responsibilities, and determinations beyond the ability of the Secretary of Agriculture, who administers this program, to determine.

I serve on the Defense Appropriation Committee. I have tried repeatedly to get action taken in this area hoping to prevent all shipping in this area, particularly of all materials which help the enemy. In this instance, insofar as I can determine, my responsibility as chairman of this subcommittee is to point out the law as I see it though I am in accord with the objective. This amendment would require determination and action by the Secretary of Agriculture for which he lacks authority or means of determination. This is something the military should do. The Secretary of Agriculture does not have access to information. Neither, may I say, does the Congress. Many of these determinations have to do with information that is not readily made available to the public.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Mr. Chairman, I feel that this amendment is in order for precisely the same reason as the amendment just ruled upon. It does provide a limitation on funds under certain conditions, and therefore certainly is completely within the rule.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Illinois [Mr. FINDLEY] offers an amendment directed to page 36, line 6, which would add a new proviso, as follows:

*Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-Third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime—*

To which a point of order is made that it is legislation under the appropriation bill.

The Chair would state that it is satisfied that established precedents in ac-



cord with the pending question justifies its holding the language of the proposed amendment as a limitation on the appropriation, and therefore overrules the point of order.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. ALBERT) there were—ayes 57, noes 75.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Public Law 480*

For expenses during fiscal year 1967, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1721-1724, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$1,040,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, \$200,000,000; and (3) long-term supply contracts pursuant to title IV of said Act, \$377,000,000.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I should like to have the attention of the chairman of the subcommittee.

With respect to the Commodity Credit Corporation, did the subcommittee by any chance go into reports that there has been some hanky-panky or skullduggery in connection with Commodity Credit Corporation sales with respect to the futures market?

Mr. WHITTEN. No, we did not go into it. In my experience with the program through the years, I have never known of the Commodity Credit Corporation having anything to do with the futures market.

We have pointed out on numerous occasions that any corporation having that many "actuals"—that much "spot commodity"—could really make or break a futures market, in respect to how much it might throw on the actual market.

We did not go into anything having to do with the futures market.

Mr. GROSS. What I was referring to were alleged leaks out of the Department of Agriculture that had an effect on the futures market.

Mr. WHITTEN. I am proud to say that, under all administrations, I have never heard any indication along that line. The fact that I did not hear it does not mean it is not true, but I have never heard of any charge of that kind.

Mr. GROSS. Let me ask the gentleman a question about Public Law 480.

Will the \$1,040 million provided in the bill cover the purchase of tobacco from Government-held stocks for use in famine relief in India and elsewhere?

Mr. WHITTEN. This has to do with foreign currencies, and it would not apply as the gentleman points out, in my opinion.

Mr. GROSS. From where is the money going to come to buy the tobacco which

was authorized to be used for famine relief? Would it be in this bill, or in some other bill?

Mr. WHITTEN. The gentleman is telling me something when he says that tobacco is used for famine relief.

Mr. GROSS. The gentleman will recall that in the famine relief bill for India the House provided for tobacco and cotton. I wondered then as now where the money was to come from to get the tobacco and the cotton to be shipped to India to take care of the starving people there, and whether the tobacco would be inserted between two slabs of cotton and served in a sandwich, or how it was to be used. I have never been able to get a good answer.

Mr. WHITTEN. I do not know that I can give the gentleman a good answer. I can tell the gentleman what I know about how the Commodity Credit Corporation works.

Insofar as I understand the two points the gentleman makes, that was sponsored on the basis that if these needs were supplied from the surplus in the hands of the Commodity Credit Corporation thereby India might be persuaded to produce more food crops and thereby relieve its own famine.

Insofar as the mechanics of handling it are concerned, the Commodity Credit Corporation now has on hand various commodities, of which tobacco is one and cotton is one. They have full authority to sell that cotton and tobacco in world markets at any price they may see fit. Where your money markets enter into it is in the replacement of capital impairment to the Corporation by reason of its assets which they have moved into this channel the gentleman described.

Mr. GROSS. That is what I am trying to get at; whether this is where the money comes from to make the reimbursement to the Commodity Credit Corporation.

Mr. WHITTEN. That is where the commodity comes from, leaving a money shortage which in turn has to be made up from capital restoration.

Mr. GROSS. For the life of me I cannot understand why, although the chairman of the House Committee on Agriculture said the tobacco was necessary to relieve the tension of the starving people and make them better able to assimilate the food given them—I still do not understand the reasoning back of it.

Mr. WHITTEN. I do not know anyone here that I would rather try to explain something to than the gentleman from Iowa. If I understood it, I might tell the gentleman, but I do not understand it. However, I can tell you it was offered on the basis that by providing for these needs or these demands it was hoped thereby the Indians would supply for themselves more food products to relieve their own famine.

Mr. GROSS. If I have another minute, I would like to go forward in the bill, to the National Advisory Commission on Food and Fibers and say to the gentleman that I appreciate the reduction which the committee made in the money for the purpose of support of this commission. However, I hope the committee will give serious thought to cut-

ting it out altogether. I think the \$350,000 in this bill is \$350,000 too much. I think the committee has already developed evidence that there is altogether too much duplication in the studies already being made. We do not need this commission, and I hope it will be cut out.

Mr. WHITTEN. Again I do not find any argument with my colleague.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 507. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

AMENDMENT OFFERED BY MR. KUPFERMAN

Mr. KUPFERMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KUPFERMAN: On page 40 immediately following line 3, insert a new section as follows:

"SEC. 508. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1967, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all items provided for herein beyond 95 percent of the total aggregate net expenditures estimated therefor in the budget for 1967 (H. Doc. 335)."

Mr. KUPFERMAN. Mr. Chairman, to use agricultural terms, I believe that what is sauce for the goose is sauce for the gander. The sacred cow of agriculture must face the same loss of possible fat that the other departments of this Government must face.

Mr. Chairman, my Republican colleagues have offered amendments to the Department of the Interior and related agencies appropriation bill, 1967, as shown at pages 77-83 of the RECORD of April 6, 1966, and the Treasury, Post Office, and Executive Offices appropriation bill, 1967, as shown at pages 73-88 of April 6, 1966, to cut those bills to the extent of 5 percent.

Mr. Chairman, it seems to me, and I would hope, that the appropriation for our city cousins are not considered less necessary than those for the rest of our country, our friends in the country.

Therefore, Mr. Chairman, I urge the adoption of the amendment.

Mr. BOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the reason I rise in opposition to this amendment is in view of my 5-percent amendment which I have proposed on the other bills to which the gentleman from New York has alluded.

Mr. Chairman, I listened to what the gentleman from New York has had to say. I want to say that this amendment which I have previously offered will be offered to other bills. However, this subcommittee has worked hard and long to bring back to this House those programs which we have had in the past and which have been most beneficial, such as the school lunch program, the special milk program and research by the land-grant colleges State experiment stations and by the Department of Agriculture, itself.

Mr. Chairman, this is not a question of discrimination against the cities and in behalf of farmers. It simply gives back to the boys and girls in the cities their



school lunch program and it gives back to them the special milk that brings good health to them.

Mr. Chairman, if we were to accept this amendment to the bill—and I said in general debate I was not offering the 5-percent amendment because it would limit spending in 1967 to 95 percent of what the President proposed in his budget to spend on the items in this bill—we would knock out all of the section 32 funds which cover the school lunch program and the special milk program, which I am sure this country wants and which I am convinced the President thought would be put back in when the bill came to the floor of the House for consideration.

Mr. Chairman, I am opposed to this amendment, but I still say to the members of the committee that the 5-percent amendment will be offered on other bills. We are not trying to discriminate against the cities. We are not coddling the farm people. This is for the benefit of all people and though I have differed with you today on some of these amendments, I shall continue to try to bear the brunt of keeping our economy good. However, I do not believe it is economy to take away from the health and welfare of the children of the Nation.

Mr. Chairman, I oppose the amendment.

Mr. KUPFERMAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. Of course, I yield to the gentleman from New York.

Mr. KUPFERMAN. Is the gentleman suggesting, Sir, that the Secretary of Agriculture is so insensitive to the needs of children and students that he would cut, among other things, the school lunch program and the milk program?

Mr. BOW. Yes. I believe, perhaps, that is true. We have all seen the budget that came up here. It became the responsibility of the Congress to restore these funds.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would point out that this amendment which has been offered by the gentleman from New York [Mr. KUPFERMAN], if adopted, would virtually cut out the school milk program. It would cut the funds to 95 percent of the \$21 million proposed by the budget. It would completely offset the committee restoration.

If they want to eliminate the milk program, the members of the Committee will vote for his amendment. But if the members of the Committee of the Whole House on the State of the Union agree with the Committee on Appropriations that the school milk and lunch programs are worth while in the district represented by the gentleman from New York [Mr. KUPFERMAN] as well as our own districts, they will vote down the amendment.

Mr. KUPFERMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. KUPFERMAN. Is the gentleman from Mississippi suggesting also that the Secretary of Agriculture is so insensitive to the needs of children and to the needs

of students that he would cut, among many other things, funds that could be used for the school lunch program and the milk program?

Mr. WHITTEN. I made no reference to the Secretary of Agriculture. I referred to my colleague, the gentleman from New York, who has had the floor.

Mr. KUPFERMAN. And, who would do the cutting, may I ask?

Mr. WHITTEN. The amendment would do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KUPFERMAN]. The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish at this time personally to pay my respects to the presiding Chairman of the Committee of the Whole House on the State of the Union on this bill, the gentleman from New York [Mr. KEOGH]. I wish to commend him for the fine job he has done through the years, not only in the many areas of his interests and efforts in the Congress, but in presiding over the Committee of the Whole House on the State of the Union on many of the annual appropriation bills having to do with the Department of Agriculture.

Certainly he has demonstrated, may I say to my colleague, as I have said many times before, that those who leave the House voluntarily are those that we can least afford to give up.

Mr. Chairman, I am making this statement at this time because I feel this so very deeply.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

For what purpose does the gentleman from Illinois rise?

Mr. FINDLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FINDLEY. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FINDLEY moves that the bill be recommitted to the Committee on Appropriations with instructions to report it back forthwith with the following amendment:

"Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as North Vietnam is governed by a Communist regime."

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. FINDLEY. Mr. Speaker, on this vote I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 290, nays 98, not voting 44, as follows:

[Roll No. 70]

YEAS—290

Abermethyl	Conte	Greigg
Adair	Cooley	Griffin
Adams	Corbett	Gross
Addabbo	Craley	Grover
Anderson, Ill.	Cramer	Gubser
Andrews,	Cunningham	Gurney
George W.	Curtin	Hagan, Ga.
Andrews,	Curtis	Hagen, Calif.
Glenn	Dague	Haley
Andrews,	Daniels	Hall
N. Dak.	Davis, Ga.	Halleck
Arends	Davis, Wis.	Hamilton
Ashbrook	de la Garza	Hamley
Ashmore	Denton	Hanna
Ayres	Derwinski	Hansen, Idaho
Baring	Devine	Hansen, Wash.
Barrett	Dickinson	Hardy
Bates	Diggs	Harsha
Battin	Dole	Harvey, Ind.
Belcher	Donohue	Harvey, Mich.
Bell	Dorn	Hays
Bennett	Downing	Hechler
Berry	Dulski	Helstoski
Bolton	Duncan, Tenn.	Henderson
Bow	Dwyer	Hicks
Bray	Dyal	Horton
Brock	Edmondson	Hosmer
Broomfield	Edwards, Ala.	Howard
Brown, Clarence J., Jr.	Edwards, La.	Hull
Broyhill, N.C.	Ellsworth	Hungate
Broyhill, Va.	Erlenborn	Huot
Buchanan	Evins, Tenn.	Hutchinson
Burton, Utah	Fallon	Ichord
Byrne, Pa.	Fascell	Irwin
Byrnes, Wis.	Feighan	Jennings
Cabell	Findley	Joelson
Cahill	Fino	Johnson, Pa.
Callan	Fisher	Jonas
Carey	Flood	Jones, Mo.
Carter	Flynt	Jones, N.C.
Casey	Fogarty	Keith
Cederberg	Foley	King, N.Y.
Chamberlain	Ford, Gerald R.	King, Utah
Chelf	Fountain	Kornegay
Clancy	Frelinghuysen	Krebs
Clark	Friedel	Kunkel
Clausen,	Fulton, Pa.	Kupferman
Don H.	Garmatz	Laird
Clawson, Del.	Gathings	Landrum
Cleveland	Glaimo	Langen
Collier	Gibbons	Latta
Colmer	Goodell	Lenmon
Conable	Grabowski	Long, La.
	Green, Pa.	Long, Md.



Love  
McCarthy  
McClory  
McCulloch  
McDade  
McEwen  
McGrath  
McVicker  
Macdonald  
MacGregor  
Machen  
Mackay  
Madden  
Maillard  
Marsh  
Martin, Ala.  
Martin, Mass.  
Martin, Nebr.  
May  
Meeds  
Michel  
Mills  
Minish  
Minshall  
Moeller  
Monagan  
Moore  
Morris  
Morse  
Morton  
Mosher  
Multer  
Murphy, N.Y.  
Natcher  
Nelsen  
O'Brien  
O'Hara, Ill.  
O'Konski  
O'Neal, Ga.  
Ottinger  
Passman  
Patten  
Pelly  
Perkins  
Philbin

Pickle  
Pike  
Pirnie  
Poage  
Poff  
Pool  
Pucinski  
Purcell  
Quile  
Quillen  
Race  
Randall  
Redlin  
Reid, Ill.  
Reid, N.Y.  
Reifel  
Reinecke  
Rhodes, Ariz.  
Rhodes, Pa.  
Rivers, S.C.  
Roberts  
Robison  
Rodino  
Rogers, Fla.  
Rogers, Tex.  
Rumsfeld  
Satterfield  
St Germain  
St. Onge  
Saylor  
Schisler  
Schmidhauser  
Schneebeli  
Schweiker  
Secret  
Selden  
Senner  
Shipley  
Shriver  
Sikes  
Skubitz  
Slack  
Smith, Calif.  
Smith, N.Y.

Smith, Va.  
Springer  
Stafford  
Staggers  
Stalbaum  
Stanton  
Steed  
Stephens  
Stratton  
Stubblefield  
Sweeney  
Talcott  
Taylor  
Teague, Calif.  
Tenzer  
Thompson, Tex.  
Thomson, Wis.  
Trimble  
Tuck  
Tunney  
Tupper  
Tuten  
Utt  
Van Deerlin  
Vanik  
Vigorito  
Walker, Miss.  
Walker, N. Mex.  
Watkins  
Watson  
Watts  
Whalley  
White, Idaho  
White, Tex.  
Whitener  
Whitten  
Widnall  
Wilson  
Charles H.  
Wolf  
Wright  
Wyatt  
Wylder  
Yates  
Younger

## NAYS—98

Albert  
Anderson, Tenn.  
Annunzio  
Aspinall  
Bandstra  
Bingham  
Blatnik  
Boggs  
Boland  
Bolling  
Brademas  
Brooks  
Brown, Calif.  
Burke  
Burton, Calif.  
Cameron  
Celler  
Clevenger  
Cohelan  
Culver  
Dawson  
Dent  
Dingell  
Dow  
Duncan, Oreg.  
Edwards, Calif.  
Evans, Colo.  
Farbstein  
Farnsley  
Farnum  
Ford  
William D.  
Fraser

Fulton, Tenn.  
Gallagher  
Gilbert  
Gilligan  
Gonzalez  
Gray  
Green, Oreg.  
Griffiths  
Hansen, Iowa  
Hathaway  
Hawkins  
Hollifield  
Holland  
Jacobs  
Johnson, Calif.  
Jones, Ala.  
Karsten  
Kastenmeier  
Kee  
Keogh  
King, Calif.  
Kirwan  
Kluczynski  
Leggett  
McDowell  
McFall  
Mackie  
Mahon  
Matsunaga  
Miller  
Mink  
Moorhead  
Morgan  
Morrison

Moss  
Murphy, Ill.  
Nedzi  
O'Hara, Mich.  
Olsen, Mont.  
Olson, Minn.  
O'Neill, Mass.  
Patman  
Pepper  
Powell  
Price  
Rees  
Rogers, Colo.  
Ronan  
Roncalio  
Rooney, Pa.  
Rosenthal  
Rostenkowski  
Ryan  
Scheuer  
Sickles  
Sisk  
Smith, Iowa  
Sullivan  
Thomas  
Thompson, N.J.  
Todd  
Udall  
Ullman  
Vivian  
Young  
Zablocki

## NOT VOTING—44

Abbitt  
Ashley  
Beckworth  
Betts  
Burleson  
Callaway  
Conyers  
Corman  
Daddario  
Delaney  
Dowdy  
Everett  
Fuqua  
Gettys  
Grider

Halpern  
Hébert  
Herlong  
Jarman  
Johnson, Okla.  
Karth  
Kelly  
Lipscomb  
McMillan  
Mathias  
Matthews  
Mize  
Murray  
Nix  
Resnick

Reuss  
Rivers, Alaska  
Rooney, N.Y.  
Roudebush  
Roush  
Roybal  
Scott  
Teague, Tex.  
Toll  
Waggonner  
Weltner  
Williams  
Willis  
Wilson, Bob

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Mize.  
Mr. Teague of Texas with Mr. Callaway.  
Mr. Hébert with Mr. Roudebush.  
Mr. Delaney with Mr. Bob Wilson.  
Mr. Grider with Mr. Mathias.  
Mr. Rivers of Alaska with Mr. Lipscomb.  
Mr. Dowdy with Mr. Betts.  
Mr. Waggonner with Mr. Halpern.  
Mr. Williams with Mrs. Kelly.  
Mr. Burleson with Mr. Ashley.  
Mr. Daddario with Mr. Conyers.  
Mr. Willis with Mr. Toll.  
Mr. Resnick with Mr. Nix.  
Mr. Reuss with Mr. Karth.  
Mr. Abbitt with Mr. Fuqua.  
Mr. Gettys with Mr. Matthews.  
Mr. Jarman with Mr. Roybal.  
Mr. Roush with Mr. Scott.  
Mr. Weltner with Mr. Johnson of Oklahoma.  
Mr. Herlong with Mr. Everett.  
Mr. McMillan with Mr. Beckworth.

Mrs. HANSEN of Washington changed her vote from "nay" to "yea."

Mr. GIAIMO changed his vote from "nay" to "yea."

Mr. MEEDS changed his vote from "nay" to "yea."

Mr. FLOOD changed his vote from "nay" to "yea."

Mr. BYRNE of Pennsylvania changed his vote from "nay" to "yea."

Mr. ST. ONGE changed his vote from "nay" to "yea."

Mr. HANLEY changed his vote from "nay" to "yea."

Mr. VANIK changed his vote from "nay" to "yea."

Mr. MADDEN changed his vote from "nay" to "yea."

Mr. EDWARDS of Louisiana changed his vote from "nay" to "yea."

Mr. O'HARA of Illinois changed his vote from "nay" to "yea."

Mr. PUCINSKI changed his vote from "nay" to "yea."

Mr. TENZER changed his vote from "nay" to "yea."

Mr. CALLAN changed his vote from "nay" to "yea."

Mr. HICKS changed his vote from "nay" to "yea."

Mr. O'BRIEN changed his vote from "nay" to "yea."

Mr. FOGARTY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Speaker, pursuant to the instructions of the House in the motion to recommit, I report back the bill H.R. 14596 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 36 on line 6 strike the period, insert a colon and the following:

"Provided, that no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, 83d Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as North Vietnam is governed by a Communist regime."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WHITTEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 366, nays 23, not voting 43, as follows:

[Roll No. 71]

YEAS—366

Abernethy	Davis, Ga.	Harsha
Adair	Davis, Wis.	Harvey, Ind.
Addabbo	Dawson	Harvey, Mich.
Albert	de la Garza	Hathaway
Anderson, Ill.	Dent	Hawkins
Anderson, Tenn.	Denton	Hays
Andrews, George W.	Derwinski	Hechler
Andrews, Glenn	Devine	Helstoski
Andrews, N. Dak.	Dickinson	Henderson
Annunzio	Diggs	Hicks
Arends	Dingell	Hollifield
Ashbrook	Dole	Holland
Ashmore	Donohue	Horton
Aspinall	Dorn	Howard
Ayres	Dow	Hull
Bandstra	Downing	Hungate
Baring	Dulski	Huot
Barrett	Duncan, Oreg.	Hutchinson
Bates	Duncan, Tenn.	Ichord
Battin	Dwyer	Irwin
Belcher	Dyal	Jennings
Bennett	Edmondson	Joelson
Berry	Edwards, Ala.	Johnson, Calif.
Bingham	Edwards, Calif.	Johnson, Pa.
Blatnik	Edwards, La.	Jonas
Boggs	Ellsworth	Jones, Ala.
Boland	Erlenborn	Jones, Mo.
Bolling	Evans, Colo.	Jones, N.C.
Bolton	Evins, Tenn.	Karsten
Bow	Fallon	Karth
Brademas	Farbstein	Kastenmeier
Bray	Farnsley	Kee
Brock	Farnum	Keith
Brooks	Fascell	Keogh
Broomfield	Feighan	King, Calif.
Brown, Calif.	Fino	King, N.Y.
Brown, Clarence J., Jr.	Fisher	King, Utah
Broyhill, N.C.	Flood	Kirwan
Broyhill, Va.	Flynt	Kluczynski
Buchanan	Fogarty	Kornegay
Burke	Foley	Krebs
Burton, Calif.	Ford, Gerald R.	Kunkel
Burton, Utah	Ford, William D.	Kupferman
Byrne, Pa.	Fountain	Laird
Byrnes, Wis.	Fraser	Landrum
Cabell	Lange	Langer
Cahill	Frelinghuysen	Latta
Callan	Friedel	Leggett
Carey	Fulton, Tenn.	Lennon
Carter	Gallagher	Long, La.
Casey	Garmatz	Love
Cederberg	Gathings	McClory
Celler	Gialmo	McCulloch
Chamberlain	Gibbons	McDade
Chelf	Gilbert	McDowell
Clancy	Gilligan	McEwen
Clark	Gonzalez	McFall
Clausen, Don H.	Goodell	McGrath
Clawson, Del.	Grabowski	McVicker
Cleveland	Gray	Macdonald
Clevenger	Green, Oreg.	MacGregor
Cohelan	Green, Pa.	Machen
Collier	Greigg	Mackay
Colmer	Griffin	Mackie
Conable	Griffiths	Madden
Conte	Gross	Mahon
Cooley	Grover	Marsh
Corbett	Gubser	Martin, Ala.
Craley	Gurney	Martin, Mass.
Cramer	Hagan, Ga.	Martin, Nebr.
Culver	Hagen, Calif.	Matsunaga
Cunningham	Haley	May
Curtin	Hall	Meeds
Dague	Halleck	Michel
Daniels	Hamilton	Miller
	Hanley	Mills
	Hanna	Minish
	Hansen, Idaho	Mink
	Hansen, Iowa	Moeller
	Hansen, Wash.	Monagan
	Hardy	Moore



Moorhead	Relfel	Stephens
Morgan	Rhodes, Ariz.	Stratton
Morris	Rhodes, Pa.	Stubblefield
Morrison	Rivers, S.O.	Sullivan
Morse	Roberts	Sweeney
Morton	Robison	Talcott
Mosher	Rodino	Taylor
Moss	Rogers, Colo.	Teague, Calif.
Multer	Rogers, Tex.	Tenzer
Murphy, Ill.	Ronan	Thomas
Murphy, N.Y.	Roncalio	Thompson, N.J.
Natcher	Rooney, Pa.	Thompson, Tex.
Nedzi	Rosenthal	Thomson, Wis.
Nelsen	Rostenkowski	Todd
O'Brien	Rumsfeld	Trimble
O'Hara, Ill.	Ryan	Tuck
O'Hara, Mich.	Satterfield	Tunney
O'Konski	St Germain	Tupper
Olsen, Mont.	St. Onge	Tuten
Olson, Minn.	Saylor	Ullman
O'Neal, Ga.	Scheuer	Van Deerlin
O'Neill, Mass.	Schisler	Vanik
Passman	Schmidhauser	Vigorito
Patman	Schneebell	Vivian
Patten	Schwelker	Walker, Miss.
Pepper	Secrest	Walker, N. Mex.
Perkins	Selden	Watkins
Philbin	Senner	Watson
Pickle	Shibley	Watts
Pike	Shriver	Whalley
Pirnie	Sickles	White, Idaho
Poage	Sikes	White, Tex.
Poff	Sisk	Whitener
Pool	Skubitz	Whitten
Powell	Slack	Widnall
Price	Smith, Iowa	Wilson,
Pucinski	Smith, N.Y.	Charles H.
Purcell	Smith, Va.	Wright
Quie	Springer	Wyatt
Quillen	Stafford	Yates
Race	Staggers	Young
Randall	Stalbaum	Younger
Redlin	Stanton	Zablocki
Reld, Ill.	Steed	

## NAYS—23

Adams	Jacobs	Reinecke
Bell	McCarthy	Rogers, Fla.
Cameron	Mailliard	Smith, Calif.
Corman	Minshall	Udall
Curtis	Ottlinger	Utt
Findley	Pelly	Wolff
Fulton, Pa.	Rees	Wydler
Hosmer	Reld, N.Y.	

## NOT VOTING—43

Abbltt	Hébert	Rivers, Alaska
Ashley	Herlong	Rooney, N.Y.
Beckworth	Jarman	Roudebush
Betts	Johnson, Okla.	Roush
Burleson	Kelly	Roybal
Callaway	Lipscomb	Scott
Conyers	Long, Md.	Teague, Tex.
Daddario	McMillan	Toll
Delaney	Mathias	Waggonner
Dowdy	Mathews	Weltner
Everett	Mize	Williams
Fuqua	Murray	Willis
Gettys	Nix	Wilson, Bob
Grider	Resnick	
Halpern	Reuss	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Betts.  
 Mrs. Kelly with Mr. Halpern.  
 Mr. Hébert with Mr. Roudebush.  
 Mr. Teague of Texas with Mr. Bob Wilson.  
 Mr. Dowdy with Mr. Mize.  
 Mr. Grider with Mr. Callaway.  
 Mr. Burleson with Mr. Lipscomb.  
 Mr. Daddario with Mr. Mathias.  
 Mr. Rivers of Alaska with Mr. Nix.  
 Mr. Williams with Mr. Toll.  
 Mr. Gettys with Mr. Matthews.  
 Mr. Roybal with Mr. Scott.  
 Mr. Ashley with Mr. Abbltt.  
 Mr. Herlong with Mr. Johnson of Oklahoma.  
 Mr. Delaney with Mr. Conyers.  
 Mr. Everett with Mr. Resnick.  
 Mr. Reuss with Mr. Weltner.  
 Mr. Waggonner with Mr. Roush.  
 Mr. Willis with Mr. Fuqua.  
 Mr. Jarman with Mr. Long of Maryland.  
 Mr. Beckworth with Mr. McMillan.

Mr. BELL changed his vote from "yea" to "nay."

Mr. FINDLEY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and to extend their remarks on the bill just considered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## U.S. NEWS &amp; WORLD REPORT WARNS BUSINESSMEN THAT FEDERAL RESERVE TIGHT MONEY POLICIES ALWAYS CAUSE RECESSION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, every week hundreds of thousands of America's top business leaders read U.S. News & World Report, one of the more popular business and financial periodicals. The issue of April 18, 1966, is particularly noteworthy in pointing out that throughout the history of the Federal Reserve System—over 50 years—the Fed has invariably thrown our economy into a recession or depression in attempts to resist inflation, real or imaginary.

The article emphasizes that President Johnson is extremely wary of tighter credit and for good reasons. Interest rates are at record highs and Government bond prices at record lows, all because of tight money which threatens to be even tighter as the Federal Reserve pursues its drastic course.

My only serious disagreement with this article, which with unanimous consent I will insert at this point in the RECORD, is with the author's conclusion that the 1957-58 recession may be labeled "mild" in view of the fact that 5.2 million people—7.5 percent of the work force—were unemployed.

[From the U.S. News & World Report, Apr. 18, 1966]

## WHEN MONEY IS TIGHTENED—WHAT THE RECORD SHOWS

The tightening squeeze on money is worrying President Johnson. A look back in history explains why. Time and again, a turn of the credit screws has been followed by a slump in business. Question being raised: Will history repeat?

President Johnson is wary about, even opposed to, any new moves to make money still harder or more expensive to borrow as a way to resist inflation.

This wariness on the part of the President is related to past experience. That experience indicates, over the half century of Federal Reserve System history, that each time money tightening was used to check inflation pressures a recession or depression followed.

That happened on seven past occasions. As a consequence, if new steps are to be needed to bring inflation under control, the White House will favor an increase in taxes

or voluntary restraints on investment to do the job.

Telltale evidence: The experience with "tight money" as the restraining force in other expansion periods is being viewed now as a telltale record.

The Federal Reserve Board, governing body of the Federal Reserve System, first used its restrictive power over money in a decisive way starting back in 1919. The moves made and what then happened on that occasion as well as on the other occasions when Reserve Board action was taken to check inflation are described in what follows:

## BOOM OF 1919-20

Action: A severe squeeze on credit was imposed to halt an upward spiral in commodity prices.

The discount rate, which is the Federal Reserve's charge on loans to commercial banks, was raised in three stages from 4 percent in November 1919, all the way to 7 percent by the following June.

Interest rates climbed sharply all along the line.

Businesses raising money on their short-term, promissory notes found themselves having to pay 8.125 percent interest, up from the previous 5.25 percent.

The money squeeze pushed up yields on U.S. Government bonds to 5.67 percent and on top-grade corporate bonds to 6.38 percent.

What happened: The boom managed to move up for 2 months beyond the initial action to tighten money.

Then, as the credit squeeze took hold, the boom turned into a slump.

In the depression that followed—

Stock prices plummeted 47 percent. Industrial production fell 32 percent. The number of people holding jobs declined by 3 million. The slump in buying by consumers and business triggered a drop of 44 percent in commodity prices. Once started, the decline in business activity ran for 18 months.

## BOOM OF 1928-29

Action: Another crackdown on credit began in February 1928. The discount rate was pushed up in four steps from 3.5 to 6 percent by the summer of 1929.

All borrowers felt the squeeze. In 1929, the U.S. Treasury had to pay as much as 5 percent to borrow money for 90 days. People borrowing to buy stocks found the call-loan rate at 20 percent, up from the previous 4 percent.

What happened: Business activity reached a peak in August 1929. The stock market pushed on to a record high in September. The boom was already turning into a slump when the great crash hit the stock market in October.

The 43-month depression that followed was the most severe in U.S. history. Soon the depression was worldwide.

In the depression of the 1930's—

Stock prices declined 90 percent, and did not regain their 1929 highs for a generation. Bonds dropped sharply. The banking system collapsed. Industrial output dropped by half. Unemployment rose to 13 million. Wholesale prices fell 38 percent. Farm prices slumped 64 percent.

## BOOM OF 1936-37

Action: Clampdown on credit took the form of a squeeze on bank reserves. Money managers doubled the amount of funds that big-city banks had to keep in reserve to back up deposits. Margin rules for buying stock on credit were tightened twice. President Roosevelt, alarmed at rising commodity and stock prices, reduced Federal spending.

What happened: Business slid into a short, but sharp, recession.

In a decline that lasted in mid-1938—

Industrial production fell by one-third. Unemployment rose to 10.5 million—1 worker in 5.



Stockholders saw the market nose-dive 48 percent. Prices of commodities, on average, dropped 15 percent.

#### BOOM OF 1948

Action: A variety of measures were used by money managers to check an inflationary boom. Within a 9-month period, the discount rate was raised twice, and bank reserve requirements were increased three times. Consumer-credit controls, lapsed since the days of World War II, were reimposed.

Interest rates moved up—though they were still at relatively low levels.

What happened: By mid-1948, factory output began to drop. The stock market, too, was at its peak. By December a general recession was underway.

In the decline lasting 11 months—

Output of industry dropped 8 percent. Unemployment rose to nearly 8 million at the bottom of the recession. Number of people with jobs declined by 2 million.

With the tightening of mortgage credit, housing starts fell from an annual rate of 1.5 million in April 1948, to 1.2 million in October and continued at the lower level for 6 months. On Wall Street, stock market prices dropped by 16 percent.

#### BOOM OF 1952-53

Action: Moves to restrict credit were mild in this period. Discount rate was raised from 1.75 percent to 2 percent. Even so, interest rates increased for all borrowers. Yields on U.S. Government bonds moved up to 3.09 percent, against the previous 2.61 percent.

What happened: By August 1953, business activity was falling off. The recession proved mild. It was due largely to military cutbacks following the Korean war, rather than to tight money.

The downtrend lasted 13 months—

Industrial output dropped 10 percent. The stock market registered a 13-percent decline.

About 2.5 million people lost jobs. Unemployment rose to 6.2 percent of the work force. Housing starts fell off.

#### BOOM OF 1955-57

Action: The economy came under vigorous restraint. Discount rate was raised seven times within a little more than 2 years—from 1.5 percent to 3.5 percent. Stock market margins were pushed up from 50-percent cash in buying stocks to a 70-percent cash requirement.

Borrowers found that all types of loans were harder to get—and more costly. The U.S. Treasury had to pay 3.66 percent to borrow money for 90 days. Top corporations were forced to pay more than 4-percent interest in the bond market, the highest in decades.

What happened: Another mild recession got underway. Actually, industry's output had begun to fall after March 1957. But credit-tightening moves were taken as late as August of that year, ushering in a general decline in business.

In the downturn that continued 9 months—

Industry's output fell 14 percent. Significantly, business spending for new plant and equipment declined sharply for the first time in the postwar period.

The cutback in capital outlays, from the third quarter of 1957 to the third quarter of 1958, amounted to 22 percent.

With lower spending on factories and machinery, new jobs were not created at the earlier pace. Unemployment climbed to 5.2 million—7.5 percent of the work force. Housing starts fell into a slump. The prices of stocks showed a decline of 19 percent. Despite credit restraint, wholesale prices continued to creep higher.

#### BOOM OF 1958-60

Action: Credit was tightened gradually over a 13-month period. Discount rate was

raised five times, from 1.75 percent to 4 percent. Stock margins were pushed up to 90 percent, against the earlier 50 percent.

By early 1960, interest rates were highest in a generation.

What happened: A broad business decline began in mid-1960, just 9 months after the money managers had raised the discount rate for the fifth time.

In the recession that carried into early 1961—

Output of industry dropped 7 percent. Again, businessmen cut back on spending for new plants and equipment.

The housing industry, usually the first to feel the effects of costlier credit, quickly reacted: Housing starts fell 20 percent. Unemployment climbed above 5 million. The stock market reacted by falling 17 percent.

#### BOOM OF 1961-66

Action: Until last December, money managers followed a generally easy policy on money, providing the economy with a generous supply of credit. Since then, however, authorities have been following a deflationary policy on money. Discount rate now is at 4.5 percent, highest in 36 years. The Nation's money supply now is growing at only half the rate of recent years.

Interest rates are near record highs. Banks are being forced to ration credit. Borrowers of all kinds—from consumers to local governments—are finding it harder to get loans even if they are willing to pay higher rates.

What's happening: Boom still is very strong. Inflation pressures remain a problem. Prices keep moving up. Yet signs are appearing here and there that the combination of tighter money and higher social security and other taxes is beginning to have some effect.

Among these—

Housing construction is weak, and experts predict further weakening as a result of rising mortgage rates. A number of States and localities have had to postpone, or cancel, projects because of the high cost of borrowed money.

The stock market has slumped about 5 percent since its February high. Consumer buying on the installment plan declined in February for the third straight month.

Big question now: Will credit restraint check this boom as it has past booms? President Johnson clearly is concerned about such a possibility. He wants money managers at the Federal Reserve and tax planners in Congress to go slow at this time about tightening the screws any further.

The President's mood comes through in this comment:

"We are touching the brakes \* \* \* but we don't want to put both feet on the brakes and turn us into a skid that is a recession or a depression. We have learned that lesson from \* \* \* looking back down the road just a few years."

#### VETERANS SUPPORT PARTICIPATION SALES ACT OF 1966

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, lost in the tumult and loud cries of negative opposition from our friends on the other side of the aisle is the fact that the Participation Sales Act of 1966 will permit private capital alongside the Federal Government to aid in providing more and better aid for our young people's education, assistance for our veterans programs, greater help for our farmers, and firm support for the homeowning public. It is, Mr. Speaker, an attempt to

draw private enterprise in to assist the Government where necessary in providing for the welfare and future of our Nation.

Three veterans' organizations, the Disabled American Veterans—DAV—the American Veterans of World War II—AMVETS—and the Veterans of Foreign Wars in recent letters to me have wholeheartedly supported the Participation Sales Act as not only benefiting veterans, but aiding all our citizens. I urge my colleagues to read the following letters from the national commander of DAV, Claude L. Callegary, the national commander of AMVETS, Ralph E. Hall, and the commander in chief, Andy Borg, outlining these three great veterans organizations' support for this important act.

DISABLED AMERICANS VETERANS,  
April 20, 1966.

Hon. WRIGHT PATMAN,  
Chairman, Committee on Banking and Currency,  
U.S. House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN PATMAN: The Participation Sales Act of 1966 will encourage greater use of this country's private capital assets in financing education and the general welfare through loan programs. One of the major lending programs is that authorized by veterans legislation.

The Disabled American Veterans—DAV—supports only that legislation which is designed for the benefit of the disabled veteran. Recognizing that adequate financing is a foundation of any continuing program, a review of this act shows that it warrants our endorsement.

The provisions of this act have been tested and proved by a Veterans' Administration lending program in which numerous members of the DAV have participated. This includes guaranteed loans and direct loans to disabled veterans, and the special program for partial Federal financing of special homes for certain disabled veterans. These are part of one of Government's largest lending programs, administered by the VA, which has sold almost \$1 billion loans to private capital. The Participation Sales Act of 1966 would extend the same privilege of "pooling" loans to other Federal agencies.

We find that the new act in no way changes the veterans program administration, and that the VA will continue to deal directly with the veteran. It provides selling of mortgage loans through the Federal National Mortgage Association, which acts as marketing agent for the loans to private capital. This, in turn, permits use of the capital from sales of the loans.

The VA experience has shown that this practice has allowed loans to thousands of additional veterans.

The DAV support of the President's policy of defending freedom against communism in Vietnam is unwavering, as is the support of necessary expenditures to fight the war. As veterans who have suffered at the hands of enemies who would deny our freedom, we best understand that the primary responsibility of Government is security of our country.

Since the provisions of this act strengthen the method of financing by our Government, and encourages private enterprise participation in the loan programs, it is consonant with the aims of the DAV.

The goals of the DAV remain consistent: benefits for those who gave so much in service to their country. Adequate financing of those benefits is essential. Therefore, I urge you to support this legislation and its passage by Congress.

Sincerely,

CLAUDE L. CALLEGARY,  
National Commander.



African peoples. But it has never so much as passed a resolution even suggesting free elections for the countries of Eastern Europe. The Ghanians and Ivory Coasters and other assorted freeloaders demand that the U.N. use force to overthrow the Rhodesian Government, but they recoil at the very idea of speaking sharply to Moscow about the plight of its satellites.

The trouble is, of course, that the Eastern Europeans languishing in their Communist hoosegows are whites, and it is not "in" these days to fret about anybody whose skin is lighter than a heavy tan. A politician does not get his name in the papers wondering aloud what's going to happen, eventually, to the white settlers in Kenya and the Congo, except to be denounced for irrelevancy and, sometimes, immorality.

Ian Smith won't do. He's not abreast of the times. If his government were black and Communist, we'd be shipping him Vermont, postpaid.

#### THE FINDLEY AMENDMENT

(Mr. WALKER of Mississippi (at the request of Mr. McCLORY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WALKER of Mississippi. Mr. Speaker, I strongly support the amendment offered today by my colleague, the gentleman from Illinois [Mr. FINDLEY]. It is a disgrace to our fighting men in Vietnam for our Government to give aid to any country which trades or deals with the Communists.

This amendment is one of the most constructive measures that has been presented in recent years in an effort to stop U.S. aid for any country which carries on such trade or dealings.

It is unfortunate that so many Members of this body fought against the amendment until they realized that they would have to account for their action to the folks back home. Then, in large numbers, they began to switch rather than fight.

Such performance demonstrates further what I have been telling my people back home, that a number of my colleagues across the aisle operate on a double standard. They will vote for the administration's programs to appease communism until they have to answer to a rollcall where their constituents can check their record vote.

I think that this is proof within itself that the overwhelming majority of the Congressmen know that their constituents are bitterly against this war of appeasement being promoted by the so-called Great Society.

#### ARKANSAS RIVER BASIN COMPACT

(Mr. SKUBITZ (at the request of Mr. McCLORY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, negotiations between the States of Kansas and Oklahoma have culminated in the ratification of the Arkansas River Basin compact. The Governors of both States have signed the ratification papers, but the approval of Congress and the signature of the President is necessary to make this compact binding and obligatory.

Therefore, I am introducing legislation today which would provide for the necessary consent of Congress. I hope that Congress will act swiftly to assure passage of this important legislation.

#### PANAMA CANAL: 1966 ENCYCLOPAEDIA BRITANNICA

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. THOMPSON] is recognized for 30 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, more than 5 years ago, on March 7, 1961, I addressed this body quoting a major article in the Encyclopaedia Britannica on the Panama Canal by Capt. Miles P. DuVal, Jr., U.S. Navy, retired, the distinguished historian of the Panama Canal and authority on inter-oceanic canal problems.

It is, therefore, with much gratification that I have read in the 1966 issue of the Encyclopaedia Britannica an up-to-date revision by him of his 1961 Britannica article on the Panama Canal, which impresses me as the most comprehensive, yet fair and incisive treatment of its subject ever published in a work of general reference.

Captain DuVal has had a broad experience incident to an extensive Naval career. This included duty in the Panama Canal organization as Captain of the Port, Balboa, C.Z., in charge of marine operations in the Pacific sector of the Canal during the critical period immediately prior to and after U.S. involvement in World War II, 1941-44; service in the Asiatic-Pacific theater, 1944-46; and as head of the Panama Canal Liaison Organization and Isthmian Canal Studies, U.S. Navy Department, 1946-49. Since this background of experience coupled with his diligent studies of Panama Canal history and problems, as well as the authorship of two outstanding books and various professional articles, eminently qualified with the indispensable knowledge and understanding for the task of preparation and revision, the editors of the Encyclopaedia Britannica could not have made a better choice.

I am grateful to the author of the article because he was kind enough to mention myself as responsible for the enactment of the so-called Thompson Act of 1950 under which the entire Panama Canal enterprise was reorganized and placed on a self-sustaining basis and has subsequently been operated.

It will be noted that the final paragraph of the article dealing with "Panama-United States Relations" and the bibliography are products of the joint authorship of Captain DuVal and Almon R. Wright, Senior Historian, U.S. Department of State.

Because the indicated article is so timely and exhaustive, I deem it to be of the utmost importance for consideration, within and without official circles, in connection with the study of the entire subject of interoceanic canals.

Accordingly, I quote it as part of my remarks:

[From the Encyclopaedia Britannica, 1966 edition]

#### PANAMA CANAL

(By Capt. Miles P. DuVal, Jr., U.S. Navy, retired)

Panama Canal, a high-level artificial inter-oceanic waterway of the lake and lock type at the Isthmus of Panama connecting the Atlantic and Pacific Oceans, owned, operated, and controlled by the United States under treaty, for the transit of vessels of commerce and of war of all nations on terms of equality, with tolls that are just and equitable. The Canal Zone, through which it was built, is the constitutionally acquired domain of the United States granted in perpetuity by the Republic of Panama, for the construction of the canal, and its perpetual maintenance, operation, sanitation, and protection.

By using the canal, vessels plying between the Atlantic and Pacific coasts of the United States can eliminate the Cape Horn route and save a distance of about 8,000 nautical miles, while journeys between the Atlantic and Pacific coasts of the North and South American continents can be reduced by 3,000 to 4,000 miles; vessels from Europe to western Asia and Australia can effect a saving of 1,000 to 2,000 miles. Hence the canal is of the greatest international importance, strategically and economically.

This article is divided into the following sections:

##### I. The waterway.

##### 1. Description.

##### 2. Navigation.

##### II. Canal Zone.

##### 1. Area and tidewaters.

##### 2. Sovereignty.

##### 3. Administration.

##### 4. Tolls.

##### 5. Canal traffic.

##### 6. Defense.

##### III. History.

##### 1. Panama railroad, 1849-55.

##### 2. French project, 1879-1904.

##### 3. U.S. policy, 1850-81.

##### 4. Isthmian Canal Commission, 1899-1901.

##### 5. U.S. diplomacy, 1901-03.

##### 6. Building the canal, 1904-14.

##### 7. Principal engineering and construction projects after 1914.

##### 8. Reorganization and policy determination.

##### 9. Panama-United States relations.

#### I. THE WATERWAY

1. Description: The Panama Canal does not cross the isthmus from east to west as generally supposed, but from northwest to southeast, with the Atlantic entrance 33½ miles north and 27 miles west of the Pacific entrance. Located in one of the heavier rainfall areas of the world with its longest section formed by impounding the waters of the Chagres River valley by a dam at Gatun, its principal features include: twin-flight locks, dams and spillways at both ends of the canal; the summit-level Gatun Lake; an excavated gorge across the Continental Divide, renamed as Gaillard Cut, connecting Gatun Lake with the Pacific locks; a small Miraflores Lake between two sets of Pacific locks; and two terminals.

The Atlantic terminus is at Cristóbal on Libón Bay, a natural harbor protected against storms from the north by east and west breakwaters. The Pacific terminus is at Balboa, a sheltered artificial harbor with its Pacific entrance channel safeguarded from silt-bearing currents by a causeway from the mainland to the fortified islands in the Bay of Panama.

The canal length from shore line to shore line is 40.27 statute miles; and from deep water to deep water, 50.72 miles. From north to south, its main parts are:



1. Atlantic sea-level dredged channel of 500-foot bottom width from deep water to Gatun locks, about 7.4 miles.

2. Gatun locks in three steps from sea level to Gatun Lake, 85 feet above sea level.

3. Gatun Lake section with channels varying in width from 1,000 feet at Gatun to 500 feet at Gamboa where Gaillard cut begins, distance about 24 miles.

4. Gaillard cut of 300 feet minimum bottom width to Pedro Miguel locks at the south end of the cut, distance about 8 miles.

5. Pedro Miguel locks in one step (31 feet) to the intermediate Miraflores Lake, 54 feet above sea level.

6. Miraflores Lake with channel 750 feet wide to Miraflores locks, distance about 1 mile.

7. Miraflores locks in two steps to Pacific sea level.

8. Pacific sea level dredged section to the Bay of Panama, distance about 8.5 miles.

The controlling depth for the Atlantic dredged section from deep water to Gatun locks is 42 feet below mean low water; from Gatun locks to Pedro Miguel, 42 feet below the minimum Gatun Lake level of 82 feet; from Pedro Miguel locks to Miraflores, 42 feet below the minimum Miraflores Lake level of 54 feet; and from Miraflores locks to deep water in the Pacific, 42.4 feet below mean low water spring (maximum) tides.

The canal is equipped with modern aids to navigation. The Panama Canal has had no major operational improvement since opening to traffic in 1914 with the exception of the Madden Dam and power project, with its upstream lake to conserve water for lockages and maintenance of channel depths in Gatun Lake during dry seasons and to reduce the danger of floods from the upper Chagres in wet seasons, and of the enlargement of the Gaillard cut started in 1959.

Locks: No part of the canal attracts more attention than its massive locks. Constructed in duplicate to enable simultaneous lockages of vessels in the same or opposite direction, all locks have usable dimensions of 1,000 feet length, 110 feet width, and a depth to accommodate vessels drawing 40 feet in salt water. Each lock gate has two leaves, the leaves being floatable structures 65 feet wide by 7 feet thick, varying in height from 47 to 82 feet, weighing from 400 to 750 tons, and operated by 25 horsepower motors through gear arrangements.

Locks are equipped with unique safety devices, notably hydraulically operated fender chains and electric towing locomotives. The fender chains protect lock gates against vessels that may get out of control when approaching locks, and are dropped into grooves to permit passage. With the exception of small craft, vessels are not permitted to pass through locks under their own power, but are required to be drawn by towing locomotives, varying in number from 4 to 10, depending on ship characteristics.

The time required for passage through the locks depends upon many factors, including size of vessel and its handling features. Generally, lockage intervals are 80 minutes at Gatun, 40 minutes at Pedro Miguel, and 60 minutes at Miraflores.

Gatun Dam and spillway: The key structure of the Panama Canal is Gatun Dam, near the end of the Chagres River Valley. It is about 1½ miles long on its crest, one-half mile wide at the base, 400 feet wide at the water surface, 100 feet wide at the top, and its crest is 105 feet above sea level. It contains 22,958,069 cubic yards of material.

Located on a natural hill of rock near the center of the dam, Gatun spillway was designed to provide adequate control of Gatun Lake levels during the maximum known discharge of the Chagres River. The dam and spillway together with Gatun locks form the northern barrier that creates Gatun Lake.

Gatun Lake and Gaillard cut: Gatun Lake, at its normal height of 85 feet, has an

area of 166 square miles and a shoreline of 1,100 miles; with a watershed of 1,285 square miles, which includes territory of the Republic of Panama. Its designed operating range is 5 feet, between water levels of 87 and 82 feet above sea level.

Gaillard cut, formerly called Culebra cut, is an artificial extension of Gatun Lake across the Continental Divide to Pedro Miguel locks, with its original bottom at a maximum of 40 feet above sea level, on an alignment that passes between Gold Hill and Contractors Hill. Its restricted channel and rocky banks make this cut the most hazardous part of the canal. A steady growth in vessel sizes and number carrying hazardous cargo has increased the frequency of transits requiring one-way navigation in Gaillard cut.

Pacific Dams, Miraflores Lake and spillway: Across the south end of Gaillard cut, a pair of one-lift (31 feet) Pedro Miguel locks and two flanking dams to nearby hills form the southern barrier closing the upper valley of the Rio Grande and holding the Gatun Lake water level. With crests 105 feet above sea level, the east dam extends about 300 feet to Cerro Luisa and the west extends about 1,400 feet to Cerro Paraiso. The east dam is a concrete wall, 260 feet long, covered with earth; the west is earth and rock, containing 699,518 cubic yards of material.

At Miraflores, a set of two-lift locks and two dams form a second barrier closing the lower valley of the Rio Grande and creating the intermediate Miraflores Lake. This lake, at 54 feet above sea level, has an area of 1.5 square miles. Its watershed is 38 square miles.

The major part of the east dam at Miraflores is the spillway, designed to handle free flow of water from Gatun Lake through one chamber at Pedro Miguel in event of accident. The west dam, with crest 40 feet wide and 70 feet above sea level extending 2,700 feet to Cerro Cocoli, is the second largest dam of the canal, containing about 2,388,423 cubic yards of material.

Terminal facilities: The Atlantic terminus affords safe anchorages in Limón Bay and convenient pier berths at Cristóbal. The Pacific terminus has mooring buoy, dock, and pier berths at Balboa; also an unprotected outer anchorage in the Bay of Panama. All piers are modern, 1,000 feet long by 200 feet wide, with enclosed sheds and railroad service, ample for storage of consignments and transshipment of cargo.

Both terminals are equipped for servicing of vessels, provisioning and repairs. The principal repair installations are on the Atlantic side near Mount Hope, with a 386-foot drydock. Larger marine and railway repair shops on the Pacific side are closed, with a 1,044-foot drydock in a standby status. Salvage tugs and other wrecking equipment are available.

2. Navigation: All vessels entering or leaving a terminal port, maneuvering in Canal Zone waters, or in transit, in general, are required to take pilots, who, at all times, have charge of navigation and movement. Transits are made under rigid traffic controls. The average time required to transit is from 7 to 8 hours.

## II. CANAL ZONE

1. Area and tidewaters: The Canal Zone is a strip of land and land under water 10 miles wide with boundaries generally 5 miles from the center of the canal except for the western salient covering the mouth of the Chagres River, the arms of Gatun Lake extending into the Republic of Panama, and Madden Lake. Beginning in the Caribbean, 3 marine miles from mean low water as provided by treaty, the zone extends across the isthmus to a distance of 3 marine miles from mean low water in the Pacific, but excludes the Panamanian cities of Colón and Panama.

The Canal Zone includes all of Gatun Lake and surrounding shores up to the 100-foot

contour and all of Madden Lake and its shores up to the 260-foot contour. The total area of the Canal Zone is 647.29 square miles—372.32 square miles land, 185.52 square miles fresh water, and 89.45 square miles salt water, including the Atlantic and Pacific coastal waters within the 3-mile limit.

The tides at the Atlantic and Pacific terminals differ in both magnitude and character. At Cristóbal on the Atlantic side they are irregular and small, with an extreme range of 3.05 feet. At Balboa on the Pacific side, they are remarkably regular with two highs and two lows every lunar day of 24 hours and 50 minutes, with an extreme range of 22.7 feet.

2. Sovereignty: Under the authority of the Panama Canal Act of 1912 and in conformity with treaty, President William H. Taft, by Executive order of December 5, 1912, declared that "all land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection, and sanitation of the Panama Canal." Since title to all such land was acquired by the United States, the Canal Zone, in its entirety, is a U.S. Government reservation.

The only private enterprise activities permitted within the zone are on lands rented under revocable licenses, normally to shipping interests, agriculturists, and others directly connected with the canal or its operation. Areas assigned for other Government purposes, as of June 30, 1963, include 136.8 square miles for the Armed Forces, with 103.97 to the Army, 22.08 to the Navy, and 10.75 to the Air Force; 5.71 to the Smithsonian Institution as a wildlife preserve on Barro Colorado; 5.38 as the Madden Forest preserve, and 0.96 to the Federal Aviation Agency. Remaining land, largely mountain or jungle, totals 190.43 square miles. All areas continue subject to the civil jurisdiction of the Canal Zone Government in conformity with the Canal Zone Code.

3. Administration: The Panama Canal enterprise, as reorganized July 1, 1951, under Public Law 841, 81st Congress, approved September 29, 1950 (Thompson Act), consists of two main units, the Panama Canal Company and the Canal Zone Government, with the dominant mission of the safe, convenient, and economic transit of vessels. The Canal Zone is divided into two districts, the Balboa (or Pacific) subdivision and the Cristóbal (or Atlantic) subdivision.

Balboa and Cristóbal: These subdivisions are coterminous with the Balboa and Cristóbal Divisions of the U.S. district court. Their common boundary crosses the Canal Zone at right angles just northwest of Barbacoas Island. The Balboa subdivision includes all Canal Zone area lying southeasterly of this boundary, and the Cristóbal subdivision, all lying northwesterly of it.

Towns, except Gamboa, are clustered near the terminals convenient to canal and shipping activities, in which, directly or indirectly, most of the civilian population in the zone is employed. Gamboa, because it is the headquarters of dredging operations, is located north of Gaillard cut to prevent isolation of equipment from lake dumps in event of slides. All towns have the facilities of well-managed communities in the United States, with high standards of health, sanitation, and education. The canal administrative center is at Balboa Heights.

A long-felt defect in the 1903 treaty was failure to provide for adequate public crossings of the canal for the Canal Zone and Panama, both divided by the waterway. This condition was initially corrected by the United States through establishment of a toll-free ferry at Balboa in 1932 under legislation sponsored by Representative Maurice H. Thatcher, former member of the Isthmian Canal Commission for whom it was named; and finally, in 1962, pursuant to treaty, by



796, with discussion, pp. 797-906 (1949); Bureau of the Budget, "Panama Canal and Panama Railroad." Report . . . on Organization and Operation, Jan. 31, 1950 (H. Doc. 460, 81st Cong.); Panama Canal Company—Canal Zone Government, Annual Reports; U.S. Department of State, Foreign Relations: The American Republics, annual volumes; Report on United States Relations with Panama, compiled by Rosita Rieck Bennett (H. Rept. 2218, 86th Cong.); Comptroller General of the United States, Annual Reports; Hon. DANIEL J. FLOOD, "Panama Canal Zone; Constitutional Domain of the United States," and other addresses 1956-64; CONGRESSIONAL RECORD, vol. 104, pt. 4, p. 5498 (March 26, 1958); Hon. Thomas E. Martin, "Panama Canal: Terminal Lake Modernization Program Derived from World War II Experience," CONGRESSIONAL RECORD, vol. 103, pt. 12, p. 16504 (Aug. 29, 1957); Hon. CLARK W. THOMPSON, "Isthmian Canal Policy of the United States—Documentation, 1955-64," CONGRESSIONAL RECORD, vol. 110 (Sept. 2, 1964); Miles P. DuVal, Jr., "The Marine Operating Problems, Panama Canal, and the Solution," Am. Soc. Civ. Eng. Trans., vol. 114, p. 558 (1949); "Isthmian Canal Policy—An Evaluation," U.S. Nav. Inst. Proc., vol. 81, p. 263 (March 1955); Brig. Gen. Henry L. Abbot, Problems of the Panama Canal (1907); Ira E. Bennett et al., History of the Panama Canal (Builders Ed.) (1915); Adolphe Godin De Lépinay de Brusly, "Note on the Practical Solution for Crossing the American Isthmus," Congrès International D'Etudes Du Canal Interocéanique . . . Du 15 Au 20 Mai, 1879. Compte Rendu du Séances Paris: Imprimerie Emile Martinet, 1879, pp. 293-99; Miles P. DuVal, Jr., Cadiz to Cathay, 2nd ed. (1947), And the Mountains Will Move (1947); Almon R. Wright, "Defense Sites Negotiations Between the United States and Panama, 1936-1948," U.S. Department of State Bulletin, Aug. 11, 1952, p. 212; Maj. Gen. George W. Goethals et al., The Panama Canal: An Engineering Treatise, 2 vol. (1915); Maj. Gen. William C. Gorgas, Sanitation in Panama (1916); William L. Sibert and John F. Stevens, The Construction of the Panama Canal (1915); D. C. Miner, The Fight for the Panama Route: the story of the Spooner Act and the Hay-Herrán treaty (1940). (M. DuVal; A. R. W.)

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

[Mr. FEIGHAN addressed the House. His remarks will appear hereafter in the Appendix.]

#### WHO IS THE "WRONG-WAY CORRIGAN" AT OEO?

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. GOODELL], is recognized for 15 minutes.

Mr. GOODELL. Mr. Speaker, the Job Corps has been under fire for its superficial and inadequate testing, evaluation, and screening of applicants. It is the conviction of many of us that, at an average cost in excess of \$8,000 per enrollee, assignment to a Job Corps camp should be based upon careful professional evaluation.

While constructive critics have been urging Job Corps officials to tighten up recruitment procedures, Job Corps officials have launched a series of new and experimental procedures that might well be called "Blind Man's Bluff."

All of the recruitment gimmicks have the purpose of speeding up the processing time and funneling applicants into Job Corps camps on a crash basis. One experiment, designed to enroll roughly 3,700 applicants, has been the waiver of the medical examination of applicants between April 14 and May 7.

As one recruitment announcement advertised, those who apply prior to May 7 "will not need a physical examination if they are in good health." How does OEO intend to determine an applicant's health unless he has been examined by a physician?

Other recruitment programs guarantee that Job Corps applicants will be sent to a camp within 24 hours after signing up, 3 days after signing up, 5 days after signing up, or 10 days after signing up. Whether the process takes 24 hours or 10 days seems to be determined by the area of the country the applicant comes from.

Mr. Speaker, how are these high-powered public relations devices going to improve the haphazard screening procedures that have caused so many problems in Job Corps camps? How are criminal records to be determined and analyzed for proper applicant assignment? How are epidemics of communicable diseases to be avoided at Job Corps centers? Why the assembly line, supermarket approach at this stage?

Mr. Speaker, poverty officials earlier indicated they had 152,000 applicants for the Job Corps and could not take care of them all. Four hundred and thirty-five thousand Li'l Abner comic books, designed to stimulate Job Corps applications, are gathering dust in a warehouse at taxpayers' expense. One of the reasons given for shelving the comic book approach was a backlog of Job Corps applicants. With a backlog of applicants, OEO launches a series of all-out recruitment programs. The poverty question of the day is, "Who Is the 'Wrong-Way Corrigan' at OEO?"

LI'L ABNER COMES TO WASHINGTON—AND STAYS—OR WHAT'S NEW IN DOGPATCH?

The OEO has gone from the sublime to the ridiculous. The war on poverty now has a comic book stockpile.

In 1964, OEO officials were scratching their heads over how to mass produce Job Corps recruits. Like a Mammy Yokum vision, inspiration struck—have one of America's most popular and creative comic strip artists, Al Capp, produce a comic book to promote the Job Corps. By June 1965, 501,000 copies of "Li'l Abner and the Creatures From Drop-Outer Space" were ready. With typical fuddle factory fanfare, OEO Information Chief Holmes Brown announced the book donated by Al Capp was valued by OEO at between \$150,000 and \$200,000. OEO personnel were thrilled and excited over Capp's creative contribution. Printing costs were \$25,000. Cards were included in the books to be mailed by applicants to the Job Corps.

Then the winds began to change at OEO, Mr. Speaker. Rumor has it that a highly placed psychologist at OEO felt that distribution of books with cards enclosed amounted to pressuring youths into Job Corps enrollment. Some sages

at OEO felt the story portrayed in the comic book was controversial and characters did not fit OEO's image. Besides, how were they going to code, screen, and mail to employment officers all the card applications? Nobody in the great Dogpatch on the Potomac, OEO, had thought of that before they printed half a million books.

Since July 1965, 435,000 Li'l Abner comic books have been gathering dust in Washington warehouses at a cost of \$125 a month. We are longtime admirers of Li'l Abner and the genius of his creator, but we think even Dogpatch's Senator Phoghorn would demand some answers. Why does OEO continue to stockpile laughs while the taxpayer and the poor cry?

Some years ago the beloved Will Rogers remarked that every time Congress made a joke it was a law, and every time it made a law it was a joke. Mr. Speaker, "it ain't amoozin', it's confoozin'."

#### CONGRESS DERAILS L.B.J. PLANS TO SCUTTLE SCHOOL LUNCH

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK], is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, the action of the Appropriations Committee last week in restoring the school lunch program and the action of the entire House today in ratifying this action is indeed good news to thousands of school personnel, parents, and taxpayers in my district. No issue has elicited more mail than the effort of the Johnson administration to slash four-fifths of the school milk program or a budget cut of \$82 million which would spell the end of that worthwhile program. Hundreds of citizens have written to their Congressman and in the scores of meetings I have had with my constituents back home, this has been one of the first issues that they bring up.

The school lunch program is one program which has operated efficiently and without burdensome redtape and controls. The school lunch program had a threatened \$216 million cut which we have countered.

While these actions mark at least a temporary victory, the strange spectacle of cutting where it hurts continues. Only this morning, I voted on our Education and Labor subcommittee to knock out the President's plans to scuttle the National Defense Education Act student loan provisions for college students. One cannot help but wonder why good programs such as this are the target of so-called economy drives which are not directed against wasteful and overlapping programs in other departments.

I want to commend my colleagues on the other side of the aisle who put program above politics and joined those of us in the minority who opposed this Johnson administration effort at cutting a good program. This should serve notice to the President and the Bureau of the Budget that they will have to pick deserving areas for cuts and leave alone school lunch, research, student loans, extension service, and other programs



which have worked so well in the past and have served the public in such an exemplary way.

### THE NEGRO AND TITLE VII

(Mr. POWELL (at the request of Mr. PUCINSKI) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POWELL. Mr. Speaker, this week the House will consider H.R. 10065, a bill to more effectively prohibit discrimination in employment because of race, color, religion, sex or national origin.

In order that my colleagues can have as many facts as possible on the issues relating to fair employment, I am placing in the RECORD today "The Negro and Title VII," a pamphlet published in July 1965 by the Bureau of National Affairs.

"The Negro and Title VII" was the Bureau of National Affairs's survey No. 77 and was sponsored by the Bureau of National Affairs Personnel Policies Forum.

A survey was made through questionnaires of the personnel and industrial relations executives who make up BNA's Personnel Policies Forum to ascertain the practices in their companies regarding the recruitment, selection, placement, training and development of but one of the minority groups, specifically Negroes.

The results of the survey are described in this pamphlet, "The Negro and Title VII," and was based on replies from 140 executives of the forum. A list of the 1965-66 panelists, as well as a description of what the Personnel Policies Forum is, follow.

This survey, I am confident, will be of material assistance to my colleagues in enabling a more informed and thoughtful legislative judgment on the merits of H.R. 10065 which amends title VII of the Civil Rights Act of 1964:

#### WHAT IS THE PERSONNEL POLICIES FORUM?

The editors of the Bureau of National Affairs have invited representative personnel and industrial relations executives to become members of the 1965-66 panel of the Personnel Policies Forum. These panel members are top personnel officials in all types of companies, large and small, in all branches of industry and all sections of the country.

At regular intervals throughout the year Bureau of National Affairs editors ask the members of the panel to outline their policies and procedures on some important aspect of employment, industrial relations, and personnel problems. From these replies, the editors complete a survey report on the problem, showing prevailing practices, new wrinkles and ideas, and cross section opinion from these top-ranking executives.

In many cases, the comments, suggestions, and discussions are reproduced in the words of the panel members themselves. In effect, survey users are sitting around a table with these executives and getting their advice and experience on the major problems in this field facing all companies this year.

Results of each Personnel Policies Forum survey made during 1965-66 are printed in a special survey report which is sent, as part of the service, to users of these Bureau of National Affairs labor reports:

Labor relations reporter; labor policy and practice; daily labor report; white-collar report; retail labor report; and Government employee relations report.

#### THE 1965-66 PANEL Northeastern States

Connecticut: S. H. Barber, General Electric Co., Plainville; James P. Counihan, Jr., Southern New England Telephone Co., New Haven; H. T. LeMay, Chandler-Evans Corp., West Hartford; C. H. Levey, Emhart Corp., Hartford; Eugene J. Shine, Plastic Wire & Cable Corp., Jewett City.

Delaware: Franklin B. Drumheller, National Vulcanized Fibre Co., Wilmington.

Massachusetts: Mrs. G. G. Burney, Sigma Instruments, Inc., Braintree; W. H. Eastman, John Hancock Mutual Life Insurance Co., Boston; Charles E. Hacking, Southwell Combining Co., North Chelmsford; A. H. Hardt, Mobil Oil Co., Boston.

New Jersey: William S. Bray, Continental Paper Co., Ridgefield Park; Eugene Cameron, Nopco Chemical Co., Newark; E. J. Dean, Jr., American Cyanamid Co., Wayne; James T. Dolan, Jr., New Jersey Natural Gas Co., Asbury Park; W. A. Foltz, Ingersoll-Rand Co., Phillipsburg; Paul S. Holbrook, Campbell Soup Co., Camden; O. D. Mann, Good Humor Corp., Englewood Cliffs; John J. McInerney, Frito-Lay, Inc., North Brunswick; L. W. Muth, Johnson & Johnson, New Brunswick; Kenneth E. Schweiger, Federal Pacific Electric Co., Newark; Lester E. Swavelly, Jr., American Biltrite Rubber Co., Trenton.

New York: M. H. Bauman, Branch Motor Express Co., Brooklyn; Robert G. Belote, Rheem Manufacturing Co., New York; V. T. Buccilli, Art Steel Co., Inc., New York; E. O. Cole, Fairchild Camera & Instrument Corp., Syosset; John R. Corbett, American Smelting & Refining Co., New York; Richard S. Dean, Crowell-Collier Publishing Co., New York; Walter Denton, Rockefeller Center, Inc., New York; S. J. Eliser, American Oil Co., New York; Esmond B. Gardner, the Chase Manhattan Bank, New York; H. Harrow, the Welch Grape Juice Co., Inc., Westfield; Andrew C. Hilton, Colt Industries, Inc., New York; Carl H. Hornburger, Seaboard World Airlines, Inc., Jamaica; J. R. Jansen, Cities Service Oil Co., Inc., New York; L. B. Keegan, American Sugar Co., New York; Louis A. Klos, United States Trust Co. of New York, New York; O. R. Lindner, Foster Refrigerator Corp., Hudson; Daniel McKnight, United Parcel Service, New York; Wallace Schneider, Twentieth Century-Fox Film Corp., New York; William H. Short, Jr., Stecher-Traung Lithography Corp., Rochester; W. P. Taylor, National Dairy Products Corp., New York; G. F. Truell, Graphic Controls Corp., Buffalo; Peter J. Wacks, Bell Aerosystems Co., Buffalo; Robert O. Wechtler, Neptune Meter Co., Long Island City.

Pennsylvania: Eli J. Adams, Lord Manufacturing Co., Erie; Robert E. Barnes, Rockwell Manufacturing Co., Unlontown; E. R. Brown, Koppers Co., Inc., Monaca; Gerald C. Burdick, Mesta Machine Co., Pittsburgh; Frank J. Buttner, United Gas Improvement Co., Philadelphia; Arnold F. Campo, International Salt Co., Clarks Summit; Robert G. Conrad, Standard Pressed Steel Co., Jenkintown; Raymond D. Davis, Baldwin-Lima-Hamilton Corp., Burnham; Philip T. Forsling, Magnetics, Inc., Butler; J. Frank Laird, Manufacturers Light & Heat Co., Pittsburgh; Fred Lewis, Union Mills Paper Manufacturing Co., New Hope; R. W. Murtaugh, West Penn Power Co., Greensburg; E. D. Riordan, the Crane Co., Johnstown; Winthrop T. Sargeant, the Beryllium Corp., Reading; A. W. Tramel, Philco Corp., Philadelphia; I. A. Varraus, Sharon Steel Co., Sharon; Thom Williams, Bovalrd & Seyfang Manufacturing Co., Bradford.

#### Southern States

Alabama: James D. Lilley, Alabama Dry Dock & Shipbuilding Co., Mobile.

Arkansas: James W. Ault, D. H. Baldwin Co., Little Rock; Robert A. Bachmann, Dalseg Manufacturing Co., Rogers; Burney W. Stinson, Dow Smith, Inc., Little Rock.

District of Columbia: Charles R. Weaver, National Rural Electric Cooperative Associa-

tion; J. R. Wilson, Page Communications Engineers, Inc.

Florida: Mrs. Doreen Bobet, Lakeland General Hospital, Lakeland; C. W. Freeman, Honeywell, Inc., St. Petersburg; Niles F. McLaud, GEO Space Corp., Melbourne; Gilbert O. Pletts, Ryder Truck Rental, Inc., Miami.

Georgia: Ernest F. Boyce, Colonial Stores, Inc., Atlanta; Hoyt E. Crane, Jr., American Home Products Corp., Chamblee; J. C. Hogue, Brunswick Corp., Albany; William E. Lloyd, Great Southern Land & Paper Co., Cedar Springs; H. H. Long, Plantation Pipeline Co., Atlanta.

Kentucky: B. A. Easton, International Business Machines Corp., Lexington; James L. Jennings, Modline Manufacturing Co., Paducah; Henry J. Kleinholtz, H. J. Scheirich Co., Louisville; Robert W. Moore, the Harshaw Chemical Co., Louisville.

Louisiana: A. N. Smith, Shell Chemical Co., Norco; R. O. Wheeler, Gulf States Utilities Co., Baton Rouge.

Maryland: R. Donald Armlger, Jr., Vitro Corporation of America, Silver Spring; William Doppstadt, ACF Industries, Inc., Riverdale; A. H. Ford, Bendix Field Engineering Corp., Owings Mills; J. E. Weer, the Baugh Chemical Co., Baltimore.

Mississippi: E. F. LaBerge, Masonite Corp., Laurel.

North Carolina: Charles W. Johnson, Broyhill Furniture Factories, Lenoir.

Oklahoma: Donald B. Camblin, Continental Oil Co., Ponca City; E. W. Harper, Oklahoma Gas & Electric Co., Oklahoma City; Kenneth G. Willis, American Airlines, Inc., Tulsa.

Puerto Rico: Enrique Irizarry, Jr., Puerto Rican Cement Co., Inc., Ponce; R. A. Orellana, Puerto Rico Telephone Co., San Juan; Rafael Rodriguez, Bacardi Corp., San Juan.

South Carolina: Henry G. Reriot, Horsman Dolls, Inc., Columbia; Russell J. Sims, Fouke Fur Co., Greenville; J. A. Wilkerson, Bowaters Carolina Corp., Catawba.

Tennessee: W. C. Davis, Gates Rubber Co., Inc., Nashville; B. D. Sites, The Magnavox Co. of Tennessee, Greeneville; Lloyd N. Williams, Magnet Mills, Inc., Clinton.

Texas: D. P. Brockie, General Dynamics Corp., Fort Worth; R. L. Geiler, Columbia Gulf Transmission Co., Houston; Carter B. Goodwin, Marathon Oil Co., Texas City; Richard R. Pearcy, International Minerals & Chemical Corp., Houston; R. R. Smith, Armco Steel Corp., Houston; Jack T. Wright, Houston Chemical Corp., Beaumont.

Virginia: Stuart M. Elsborg, Drug Fair Inc., Alexandria; Merrill W. Hall, Research Analysis Corp., McLean; W. H. Rosch, Atlantic Research Corp., Alexandria.

West Virginia: Wayne T. Brooks, Wheeling Steel Corp., Wheeling; A. E. Lewis, Borg-Warner Corp., Washington.

#### Central States

Illinois: Richard J. Anderson, Industrial Filter & Pump Mfg. Co., Cicero; Ray Bjorklund, Sundstrand Corp., Rockford; James Boetter, The H. M. Harper Co., Morton Grove; Robert M. Boyles, Midwest Rubber Reclaiming Co., East St. Louis; Milton H. Brown, Caterpillar Tractor Co., Peoria; John E. Class, Sweetheart Cup Corp., Chicago; David H. Cornelison, Lever Brothers Co., Chicago; John W. Dan, Schnadig Corp., Chicago; R. M. Erlanson, Anchor Brush Co., Aurora; M. D. Gentry, General Portland Cement Co., Chicago; A. Richard Gross, Thomason Newspapers, Inc., Des Plaines; J. M. Hopper, The Pure Oil Co., Palatine; John R. Hundley, Granite City Steel Co., Granite City; Ruel F. Lehman, Jr., The Peoples Gas Light & Coke Co., Chicago; Berk Luhmann, General Telephone Directory Co., Des Plaines; James A. Mann, Wyman-Gordon Co., Harvey; John Rank, Besly-Welles Corp., South Beloit; Roy Shay, A. E. Staley Mfg. Co., Decatur; E. D. Sukys, Sun Electric Corp., Chicago; R. H. Tenley, Penberthy Mfg. Co., Prophetstown; Thomas H. Young, Alton Box Board Co., Alton.







89TH CONGRESS  
2D SESSION

# H. R. 14596

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IN THE SENATE OF THE UNITED STATES

APRIL 27, 1966

Read twice and referred to the Committee on Appropriations

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## AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the Depart-  
5       ment of Agriculture and related agencies for the fiscal  
6       year ending June 30, 1967, and for other purposes; namely:



## 1 DEPARTMENT OF AGRICULTURE

## 2 TITLE I—GENERAL ACTIVITIES

## 3 AGRICULTURAL RESEARCH SERVICE

## 4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research  
6 relating to production, utilization, marketing, nutrition and  
7 consumer use, to control and eradicate pests and plant and  
8 animal diseases, and to perform related inspection, quaran-  
9 tine and regulatory work: *Provided*, That appropriations  
10 hereunder shall be available for field employment pursuant  
11 to the second sentence of section 706 (a) of the Organic  
12 Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000  
13 shall be available for employment under section 15 of the  
14 Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*,  
15 That appropriations hereunder shall be available for the  
16 operation and maintenance of aircraft and the purchase of  
17 not to exceed two for replacement only: *Provided further*,  
18 That appropriations hereunder shall be available pursuant  
19 to title 5, United States Code, section 565a, for the con-  
20 struction, alteration, and repair of buildings and improve-  
21 ments, but unless otherwise provided, the cost of construct-  
22 ing any one building (except headhouses connecting green-  
23 houses) shall not exceed \$20,000, except for six buildings  
24 to be constructed or improved at a cost not to exceed

1 \$45,000 each, and the cost of altering any one building  
2 during the fiscal year shall not exceed \$7,500 or 7.5 per  
3 centum of the cost of the building, whichever is greater:

4 *Provided further*, That the limitations on alterations con-  
5 tained in this Act shall not apply to a total of \$100,000  
6 for facilities at Beltsville, Maryland:

7       Research: For research and demonstrations on the pro-  
8 duction and utilization of agricultural products; agricultural  
9 marketing and distribution, not otherwise provided for; home  
10 economics or nutrition and consumer use of agricultural and  
11 associated products; and related research and services; and  
12 for acquisition of land by donation, exchange, or purchase at  
13 a nominal cost not to exceed \$100; \$120,673,000, and in  
14 addition not to exceed \$25,000,000 from funds available  
15 under section 32 of the Act of August 24, 1935, pursuant to  
16 Public Law 88-250 shall be transferred to and merged with  
17 this appropriation, of which \$10,619,000 shall remain avail-  
18 able until expended for construction and improvement of  
19 facilities without regard to limitations contained herein, and  
20 \$5,401,300 shall be used to continue research activities  
21 scheduled for reduction or elimination in fiscal years 1966  
22 and 1967: *Provided*, That the limitations contained herein  
23 shall not apply to replacement of buildings needed to carry  
24 out the Act of April 24, 1948 (21 U.S.C. 113a) ;



1        Plant and animal disease and pest control: For opera-  
2        tions and measures, not otherwise provided for, to control  
3        and eradicate pests and plant and animal diseases and for  
4        carrying out assigned inspection, quarantine, and regulatory  
5        activities, as authorized by law, including expenses pursuant  
6        to the Act of February 28, 1947, as amended (21 U.S.C.  
7        114b-c), \$76,764,000 of which \$1,500,000 shall be appor-  
8        tioned for use pursuant to section 3679 of the Revised  
9        Statutes, as amended, for the control of outbreaks of insects  
10       and plant diseases to the extent necessary to meet emer-  
11       gency conditions: *Provided*, That no funds shall be used to  
12       formulate or administer a brucellosis eradication program  
13       for the current fiscal year that does not require minimum  
14       matching by any State of at least 40 per centum: *Pro-*  
15       *vided further*, That, in addition, in emergencies which  
16       threaten the livestock or poultry industries of the coun-  
17       try, the Secretary may transfer from other appropriations  
18       or funds available to the agencies or corporations of  
19       the Department such sums as he may deem necessary.  
20       to be available only in such emergencies for the arrest and  
21       eradication of foot-and-mouth disease, rinderpest, contagious  
22       pleuropneumonia, or other contagious or infectious diseases  
23       of animals, or European fowl pest and similar diseases in

1 poultry, and for expenses in accordance with the Act of  
2 February 28, 1947, as amended, and any unexpended bal-  
3 ances of funds transferred under this head in the next pre-  
4 ceding fiscal year shall be merged with such transferred  
5 amounts;

6 Special fund: To provide for additional labor, sub-  
7 professional and junior scientific help to be employed under  
8 contracts and cooperative agreements to strengthen the work  
9 at research installations in the field, not more than  
10 \$2,000,000 of the amount appropriated under this head for  
11 the previous fiscal year may be used by the Administrator  
12 of the Agricultural Research Service in departmental re-  
13 search programs in the current fiscal year, the amount so  
14 used to be transferred to and merged with the appropria-  
15 tion otherwise available under "Salaries and expenses, Re-  
16 search".

17 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY  
18 PROGRAM)

19 For payments, in foreign currencies owed to or owned  
20 by the United States for market development research au-  
21 thorized by section 104 (a) and for agricultural and forestry  
22 research and other functions related thereto authorized by  
23 section 104 (k) of the Agricultural Trade Development and



1 Assistance Act of 1954, as amended (7 U.S.C. 1704 (a)  
2 (k) ), to remain available until expended, \$3,000,000:  
3 *Provided*, That this appropriation shall be available in addi-  
4 tion to other appropriations for these purposes, for payments  
5 in the foregoing currencies: *Provided further*, That funds  
6 appropriated herein shall be used for payments in such  
7 foreign currencies as the Department determines are needed  
8 and can be used most effectively to carry out the purposes  
9 of this paragraph: *Provided further*, That not to exceed  
10 \$25,000 of this appropriation shall be available for payments  
11 in foreign currencies for expenses of employment pursuant  
12 to the second sentence of section 706 (a) of the Organic  
13 Act of 1944 (5 U.S.C. 574) , as amended by section 15 of  
14 the Act of August 2, 1946 (5 U.S.C. 55a) .

15 COOPERATIVE STATE RESEARCH SERVICE

16 PAYMENTS AND EXPENSES

17 For payments to agricultural experiment stations, for  
18 grants for cooperative forestry and other research, for facil-  
19 ities, and for other expenses, including \$48,113,000, to  
20 carry into effect the provisions of the Hatch Act, approved  
21 March 2, 1887, as amended by the Act approved August 11,  
22 1955 (7 U.S.C. 361a-361i) . including administration by  
23 the United States Department of Agriculture; \$2,500,000

1 for grants for cooperative forestry research under the Act  
 2 approved October 10, 1962 (16 U.S.C. 582a—582a-7) ;  
 3 \$2,000,000 in addition to funds otherwise available for con-  
 4 tracts and grants for scientific research under the Act of  
 5 August 4, 1965 (79 Stat. 431) ; \$2,000,000 for grants for  
 6 facilities under the Act approved July 22, 1963 (77 Stat.  
 7 90) ; \$310,000 for penalty mail costs of agricultural experi-  
 8 ment stations under section 6 of the Hatch Act of 1887, as  
 9 amended; and \$304,000 for necessary expenses of the Co-  
 10 operative State Research Service, including administration  
 11 of payments to State agricultural experiment stations, funds  
 12 for employment pursuant to the second sentence of section  
 13 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and  
 14 not to exceed \$50,000 for employment under section 15 of  
 15 the Act of August 2, 1946 (5 U.S.C. 55a) ; in all,  
 16 \$55,227,000.

## 17 EXTENSION SERVICE 71

### 18 COOPERATIVE EXTENSION WORK, PAYMENTS AND 51

#### 19 EXPENSES 91

20 Payments to States and Puerto Rico: For payments for  
 21 cooperative agricultural extension work under the Smith-  
 22 Lever Act, as amended by the Act of June 26, 1953, the  
 23 Act of August 11, 1955, and the Act of October 5, 1962 (7



1 U.S.C. 341-349), to be distributed under sections 3 (b)  
2 and 3 (c) of the Act, \$74,347,500; and payments and con-  
3 tracts for such work under section 204 (b)-205 of the Agri-  
4 cultural Marketing Act of 1946 (7 U.S.C. 1623-1624),  
5 \$1,570,000; in all, \$75,917,500: *Provided*, That funds  
6 hereby appropriated pursuant to section 3 (c) of the Act of  
7 June 26, 1953, shall not be paid to any State or Puerto Rico  
8 prior to availability of an equal sum from non-Federal sources  
9 for expenditure during the current fiscal year.

10 Retirement and Employees' Compensation costs for ex-  
11 tension agents: For cost of employer's share of Federal re-  
12 tirement and for reimbursement for benefits paid from the  
13 Employees' Compensation Fund for cooperative extension  
14 employees, \$8,139,500.

15 Penalty mail: For costs of penalty mail for cooperative  
16 extension agents and State extension directors, \$3,113,000.

17 Federal Extension Service: For administration of the  
18 Smith-Lever Act, as amended by the Act of June 26, 1953,  
19 the Act of August 11, 1955, and the Act of October 5, 1962  
20 (7 U.S.C. 341-349), and extension aspects of the Agricul-  
21 tural Marketing Act of 1946 (7 U.S.C. 1621-1627), and  
22 to coordinate and provide program leadership for the exten-

1 sion work of the Department and the several States and  
2 insular possessions, \$2,654,000.

3 FARMER COOPERATIVE SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses to carry out the Act of July 2,  
6 1926 (7 U.S.C. 451–457), and for conducting research re-  
7 lating to the economic and marketing aspects of farmer co-  
8 operatives, as authorized by the Agricultural Marketing  
9 Act of 1946 (7 U.S.C. 1621–1627), \$1,175,000.

10 SOIL CONSERVATION SERVICE

11 CONSERVATION OPERATIONS

12 For necessary expenses for carrying out the provisions  
13 of the Act of April 27, 1935 (16 U.S.C. 590a–590f), in-  
14 cluding preparation of conservation plans and establishment  
15 of measures to conserve soil and water (including farm  
16 irrigation and land drainage and such special measures as  
17 may be necessary to prevent floods and the siltation of reser-  
18 voirs) ; operation of conservation nurseries; classification and  
19 mapping of soil; dissemination of information; purchase and  
20 erection or alteration of permanent buildings; and operation  
21 and maintenance of aircraft, \$109,235,000: *Provided*, That



1 the cost of any permanent building purchased, erected, or  
2 as improved, exclusive of the cost of constructing a water  
3 supply or sanitary system and connecting the same to any  
4 such building and with the exception of buildings acquired  
5 in conjunction with land being purchased for other purposes,  
6 shall not exceed \$2,500, except for one building to be con-  
7 structed at a cost not to exceed \$25,000 and eight buildings  
8 to be constructed or improved at a cost not to exceed  
9 \$15,000 per building and except that alterations or im-  
10 provements to other existing permanent buildings costing  
11 \$2,500 or more may be made in any fiscal year in an  
12 amount not to exceed \$500 per building: *Provided further,*  
13 That no part of this appropriation shall be available for the  
14 construction of any such building on land not owned by the  
15 Government: *Provided further,* That no part of this appro-  
16 priation may be expended for soil and water conservation  
17 operations under the Act of April 27, 1935 (16 U.S.C.  
18 590a-590f) in demonstration projects: *Provided further,*  
19 That this appropriation shall be available for field employ-  
20 ment pursuant to the second sentence of section 706 (a) of  
21 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
22 \$5,000 shall be available for employment under section 15  
23 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*  
24 *further,* That qualified local engineers may be temporarily

1 employed at per diem rates to perform the technical plan-  
2 ning work of the service.

#### 3 WATERSHED PLANNING

4 For necessary expenses for small watershed investiga-  
5 tions and planning, in accordance with the Watershed Pro-  
6 tection and Flood Prevention Act, as amended (16 U.S.C.  
7 1001-1008), to remain available until expended, \$6,142,-  
8 000, with which shall be merged the unexpended balances  
9 of funds heretofore appropriated under this head: *Provided*,  
10 That this appropriation shall be available for field employ-  
11 ment pursuant to the second sentence of section 706 (a)  
12 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
13 exceed \$50,000 shall be available for employment under  
14 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

#### 15 WATERSHED PROTECTION

16 For necessary expenses to conduct river basin surveys  
17 and investigations, and research, and to carry out preventive  
18 measures, including, but not limited to, engineering opera-  
19 tions, methods of cultivation, the growing of vegetation, and  
20 changes in use of land, in accordance with the Watershed  
21 Protection and Flood Prevention Act, approved August 4,  
22 1954, as amended (16 U.S.C. 1001-1008), and the pro-  
23 visions of the Act of April 27, 1935 (16 U.S.C. 590a-f),  
24 to remain available until expended, \$67,020,000, with which



1 shall be merged the unexpended balances of funds heretofore  
2 appropriated or transferred to the Department for watershed  
3 protection purposes: *Provided*, That this appropriation shall  
4 be available for field employment pursuant to the second sen-  
5 tence of section 706 (a) of the Organic Act of 1944 (5  
6 U.S.C. 574), and not to exceed \$100,000 shall be available  
7 for employment under section 15 of the Act of August 2,  
8 1946 (5 U.S.C. 55a) : *Provided further*, That not to exceed  
9 \$5,000,000, together with the unobligated balance of funds  
10 previously appropriated for loans and related expense, shall  
11 be available for such purposes.

#### 12 FLOOD PREVENTION

13 For necessary expenses, in accordance with the Flood  
14 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,  
15 16 U.S.C. 1006a), as amended and supplemented, and in  
16 accordance with the provisions of laws relating to the activi-  
17 ties of the Department, to perform works of improvement,  
18 including funds for field employment pursuant to the second  
19 sentence of section 706 (a) of the Organic Act of 1944 (5  
20 U.S.C. 574), and not to exceed \$100,000 for employment  
21 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
22 55a), to remain available until expended; \$25,654,000,  
23 with which shall be merged the unexpended balances of  
24 funds heretofore appropriated or transferred to the Depart-

1 ment for flood prevention purposes: *Provided*, That not to  
2 exceed \$200,000, together with the unobligated balance of  
3 funds previously appropriated for loans and related expense,  
4 shall be available for such purposes.

5 GREAT PLAINS CONSERVATION PROGRAM

6 For necessary expenses to carry into effect a program of  
7 conservation in the Great Plains area, pursuant to section  
8 16(b) of the Soil Conservation and Domestic Allotment  
9 Act, as added by the Act of August 7, 1956 (16 U.S.C.  
10 590p), \$16,112,000, to remain available until expended.

11 RESOURCE CONSERVATION AND DEVELOPMENT

12 For necessary expenses in planning and carrying out  
13 projects for resource conservation and development, and for  
14 sound land use, pursuant to the provisions of section 32(e)  
15 of title III of the Bankhead-Jones Farm Tenant Act, as  
16 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions  
17 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$4,-  
18 347,000, to remain available until expended: *Provided*, That  
19 not to exceed \$500,000 of such amount shall be available  
20 for loans and related expenses under subtitle A of the Con-  
21 solidated Farmers Home Administration Act of 1961, as  
22 amended: *Provided further*, That this appropriation shall  
23 be available for field employment pursuant to the second  
24 sentence of section 706(a) of the Organic Act of 1944 (5



1 U.S.C. 574), and not to exceed \$50,000 shall be available  
2 for employment under section 15 of the Act of August 2,  
3 1946 (5 U.S.C. 55a).

4 ECONOMIC RESEARCH SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses of the Economic Research  
7 Service in conducting economic research and service relating  
8 to agricultural production, marketing, and distribution, as  
9 authorized by the Agricultural Marketing Act of 1946 (7  
10 U.S.C. 1621-1627), and other laws, including economics  
11 of marketing; analyses relating to farm prices, income and  
12 population, and demand for farm products, use of resources  
13 in agriculture, adjustments, costs and returns in farming, and  
14 farm finance; and for analyses of supply and demand for  
15 farm products in foreign countries and their effect on pros-  
16 pects for United States exports, progress in economic de-  
17 velopment and its relation to sales of farm products, assembly  
18 and analysis of agricultural trade statistics and analysis of  
19 international financial and monetary programs and policies  
20 as they affect the competitive position of United States farm  
21 products; \$12,032,000: *Provided*, That not less than  
22 \$350,000 of the funds contained in this appropria-  
23 tion shall be available to continue to gather statistics and  
24 conduct a special study on the price spread between the

1 farmer and consumer: *Provided further*, That this appro-  
2 priation shall be available for employment pursuant to the  
3 second sentence of section 706 (a) of the Organic Act of  
4 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be  
5 available for employment under section 15 of the Act of  
6 August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That  
7 not less than \$145,000 of the funds contained in this appro-  
8 priation shall be available for analysis of statistics and related  
9 facts on foreign production and full and complete information  
10 on methods used by other countries to move farm commod-  
11 ities in world trade on a competitive basis.

#### 12 STATISTICAL REPORTING SERVICE

#### 13 SALARIES AND EXPENSES

14 For necessary expenses of the Statistical Reporting  
15 Service in conducting statistical reporting and service  
16 work, including crop and livestock estimates, statistical co-  
17 ordination and improvements, and marketing surveys, as  
18 authorized by the Agricultural Marketing Act of 1946 (7  
19 U.S.C. 1621-1627) and other laws, \$13,272,000: *Pro-*  
20 *vided*, That no part of the funds herein appropriated shall  
21 be available for any expense incident to publishing esti-  
22 mates of apple production for other than the commercial  
23 crop: *Provided further*, That this appropriation shall be



1 available for employment pursuant to the second sentence of  
2 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),  
3 and not to exceed \$40,000 shall be available for employment  
4 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
5 55a).

## 6 CONSUMER AND MARKETING SERVICE

### 7 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY 8 PROGRAMS

9 For expenses necessary to carry on services related to  
10 consumer protection, agricultural marketing and distribution,  
11 and regulatory programs, other than Packers and Stockyards  
12 Act, as authorized by law, and for administration and co-  
13 ordination of payments to States; including field employment  
14 pursuant to section 706 (a) of the Organic Act of 1944 (5  
15 U.S.C. 574), and not to exceed \$25,000 for employment  
16 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
17 55a), in carrying out section 201 (a) to 201 (d), inclusive,  
18 of title II of the Agricultural Adjustment Act of 1938 (7  
19 U.S.C. 1291) and section 203 (j) of the Agricultural Mar-  
20 keting Act of 1946; \$82,757,000.

## 1            PAYMENTS TO STATES AND POSSESSIONS

2            For payments to departments of agriculture, bureaus and  
3 departments of markets, and similar agencies for marketing  
4 activities under section 204 (b) of the Agricultural Market-  
5 ing Act of 1946 (7 U.S.C. 1623 (b) ), \$1,750,000.

## 6            SPECIAL MILK PROGRAM

7            For necessary expenses to carry out the Special Milk  
8 Program, as authorized by the Act of August 8, 1961 (7  
9 U.S.C. 1446, note), \$50,000,000, and in addition \$53,-  
10 000,000 shall be transferred from funds available under  
11 section 32 of the Act of August 24, 1935 (7 U.S.C. 612c),  
12 and merged with this appropriation.

## 13            SCHOOL LUNCH PROGRAM

14            For necessary expenses to carry out the provisions of  
15 the National School Lunch Act, as amended (42 U.S.C.  
16 1751-1760), \$157,000,000, including \$2,000,000 for spe-  
17 cial assistance to needy schools, as authorized by law: *Pro-*  
18 *vided*, That no part of this appropriation shall be used for  
19 nonfood assistance under section 5 of said Act: *Provided*



1 *further*, That \$45,000,000 shall be transferred to this ap-  
2 propriation from funds available under section 32 of the Act  
3 of August 24, 1935 (7 U.S.C. 612c), for purchase and  
4 distribution of agricultural commodities and other foods pur-  
5 suant to section 6 of the National School Lunch Act.

#### 6 FOOD STAMP PROGRAM

7 For necessary expenses of the food stamp program pur-  
8 suant to the Food Stamp Act of 1964, \$150,000,000, to be  
9 provided from funds available under section 32 of the Act  
10 of August 24, 1935 (7 U.S.C. 612c).

#### 11 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

##### 12 (SECTION 32)

13 No funds available under section 32 of the Act of Au-  
14 gust 24, 1935 (7 U.S.C. 612c) shall be used for any pur-  
15 pose other than commodity program expenses as authorized  
16 therein, and other related operating expenses, except for  
17 (1) transfers to the Department of the Interior as authorized  
18 by the Fish and Wildlife Act of August 8, 1956, (2) trans-  
19 fers otherwise provided in this Act, and (3) not more than  
20 \$2,924,000 for formulation and administration of marketing

1 agreements and orders pursuant to the Agricultural Mar-  
2 keting Agreement Act of 1937, as amended, and the Agri-  
3 cultural Act of 1961.

4 FOREIGN AGRICULTURAL SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses for the Foreign Agricultural  
7 Service, including carrying out title VI of the Agricultural  
8 Act of 1954 (7 U.S.C. 1761-1768), market development  
9 activities abroad, and for enabling the Secretary to coordi-  
10 nate and integrate activities of the Department in connection  
11 with foreign agricultural work, including not to exceed \$35,-  
12 000 for representation allowances and for expenses pursuant  
13 to section 8 of the Act approved August 3, 1956 (7 U.S.C.  
14 1766), \$21,088,000: *Provided*, That not less than \$255,000  
15 of the funds contained in this appropriation shall be available  
16 to obtain statistics and related facts on foreign production and  
17 full and complete information on methods used by other  
18 countries to move farm commodities in world trade on a  
19 competitive basis: *Provided further*, That, in addition, not  
20 to exceed \$3,117,000 of the funds appropriated by section



1 32 of the Act of August 24, 1935, as amended (7 U.S.C.  
2 612c), shall be merged with this appropriation and shall be  
3 available for all expenses of the Foreign Agricultural Service.

4 COMMODITY EXCHANGE AUTHORITY

5 SALARIES AND EXPENSES

6 For necessary expenses to carry into effect the provi-  
7 sions of the Commodity Exchange Act, as amended (7  
8 U.S.C. 1-17a), \$1,398,000.

9 AGRICULTURAL STABILIZATION AND CONSERVATION  
10 SERVICE

11 EXPENSES, AGRICULTURAL STABILIZATION AND

12 CONSERVATION SERVICE

13 For necessary administrative expenses of the Agricul-  
14 tural Stabilization and Conservation Service, including ex-  
15 penses to formulate and carry out programs authorized by  
16 title III of the Agricultural Adjustment Act of 1938, as  
17 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as  
18 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a),  
19 16(d), 16(e), 16(f), and 17 of the Soil Conservation and  
20 Domestic Allotment Act, as amended (16 U.S.C. 590g-  
21 590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil  
22 Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816);  
23 and laws pertaining to the Commodity Credit Corporation,  
24 \$128,558,000: *Provided*, That, in addition, not to exceed

1 \$75,803,600 may be transferred to and merged with this  
2 appropriation from the Commodity Credit Corporation  
3 fund (including not to exceed \$30,008,000 under the  
4 limitation on Commodity Credit Corporation administrative  
5 expenses) : *Provided further*, That other funds made avail-  
6 able to the Agricultural Stabilization and Conservation Serv-  
7 ice for authorized activities may be advanced to and merged  
8 with this appropriation: *Provided further*, That no part of  
9 the funds appropriated or made available under this Act  
10 shall be used (1) to influence the vote in any referendum;  
11 (2) to influence agricultural legislation, except as permitted  
12 in 18 U.S.C. 1913; or (3) for salaries or other expenses  
13 of members of county and community committees estab-  
14 lished pursuant to section 8 (b) of the Soil Conservation  
15 and Domestic Allotment Act, as amended, for engaging in  
16 any activities other than advisory and supervisory duties  
17 and delegated program functions prescribed in administrative  
18 regulations.

#### 19 SUGAR ACT PROGRAM

20 For necessary expenses to carry into effect the provisions  
21 of the Sugar Act of 1948 (7 U.S.C. 1101-1161),  
22 \$80,000,000, to remain available until June 30 of the next  
23 succeeding fiscal year.



## 1                    AGRICULTURAL CONSERVATION PROGRAM

2            For necessary expenses to carry into effect the program  
3 authorized in sections 7 to 15, 16 (a), and 17 of the Soil  
4 Conservation and Domestic Allotment Act, approved Febru-  
5 ary 29, 1936, as amended (16 U.S.C. 590g-590 (o), 590p  
6 (a), and 590q), including not to exceed \$6,000 for the  
7 preparation and display of exhibits, including such displays  
8 at State, interstate, and international fairs within the United  
9 States, \$220,000,000, to remain available until December 31  
10 of the next succeeding fiscal year for compliance with the  
11 programs of soil-building and soil- and water-conserving  
12 practices authorized under this head in the Department of  
13 Agriculture and Related Agencies Appropriation Acts,  
14 1965 and 1966, carried out during the period July 1, 1964,  
15 to December 31, 1966, inclusive: *Provided*, That none of  
16 the funds herein appropriated shall be used to pay the salaries  
17 or expenses of any regional information employees or any  
18 State information employees, but this shall not preclude the  
19 answering of inquiries or supplying of information at the  
20 county level to individual farmers: *Provided further*, That no  
21 portion of the funds for the current year's program may be  
22 utilized to provide financial or technical assistance for drain-  
23 age on wetlands now designated as Wetland Types 3 (III),  
24 4 (IV), and 5 (V) in United States Department of the In-

1 terior, Fish and Wildlife Service Circular 39, Wetlands of  
2 the United States, 1956: *Provided further*, That necessary  
3 amounts shall be available for administrative expenses in con-  
4 nection with the formulation and administration of the 1967  
5 program of soil-building and soil- and water-conserving prac-  
6 tices, including related wildlife conserving practices, under  
7 the Act of February 29, 1936, as amended (amounting to  
8 \$220,000,000, excluding administration, except that no  
9 participant shall receive more than \$2,500, except where  
10 the participants from two or more farms or ranches join  
11 to carry out approved practices designed to conserve or im-  
12 prove the agricultural resources of the community): *Pro-*  
13 *vided further*, That not to exceed 5 per centum of the alloca-  
14 tion for the current year's agricultural conservation pro-  
15 gram for any county may, on the recommendation of  
16 such county committee and approval of the State committee,  
17 be withheld and allotted to the Soil Conservation Service for  
18 services of its technicians in formulating and carrying out  
19 the agricultural conservation program in the participating  
20 counties, and shall not be utilized by the Soil Conservation  
21 Service for any purpose other than technical and other assist-  
22 ance in such counties, and in addition, on the recommenda-  
23 tion of such county committee and approval of the State  
24 committee, not to exceed 1 per centum may be made avail-



1 able to any other Federal, State, or local public agency for  
2 the same purpose and under the same conditions: *Provided*  
3 *further*, That for the current year's program \$2,500,000  
4 shall be available for technical assistance in formulating and  
5 carrying out agricultural conservation practices: *Provided*  
6 *further*, That such amounts shall be available for the pur-  
7 chase of seeds, fertilizers, lime, trees, or any other farming  
8 material, or any soil-terracing services, and making grants  
9 thereof to agricultural producers to aid them in carrying out  
10 farming practices approved by the Secretary under programs  
11 provided for herein: *Provided further*, That no part of any  
12 funds available to the Department, or any bureau, office,  
13 corporation, or other agency constituting a part of such  
14 Department, shall be used in the current fiscal year for the  
15 payment of salary or travel expenses of any person who has  
16 been convicted of violating the Act entitled "An Act to pre-  
17 vent pernicious political activities", approved August 2,  
18 1939, as amended, or who has been found in accordance  
19 with the provisions of title 18, United States Code, section  
20 1913, to have violated or attempted to violate such section  
21 which prohibits the use of Federal appropriations for the  
22 payment of personal services or other expenses designed to

1 influence in any manner a Member of Congress to favor or  
2 oppose any legislation or appropriation by Congress except  
3 upon request of any Member or through the proper official  
4 channels.

5 APPALACHIAN REGION CONSERVATION PROGRAM

6 For necessary expenses, not otherwise provided for, to  
7 carry into effect section 203 of the Appalachian Regional  
8 Development Act of 1965, \$2,200,000, to remain available  
9 until expended.

10 CROPLAND CONVERSION PROGRAM

11 For necessary expenses to promote the conservation and  
12 economic use of land pursuant to the provisions of section  
13 16 (e) of the Soil Conservation and Domestic Allotment Act  
14 (16 U.S.C. 590h, 590p), as amended, \$7,500,000, to  
15 remain available until expended.

16 CROPLAND ADJUSTMENT PROGRAM

17 For necessary expenses to carry into effect a Cropland  
18 Adjustment Program as authorized by the Food and Agricul-  
19 ture Act of 1965, including reimbursement to Commodity  
20 Credit Corporation, \$90,000,000: *Provided*, That agree-  
21 ments entered into during the fiscal year 1967 shall not



1 require payments during the calendar year 1967 exceeding  
2 \$80,000,000.

3 CONSERVATION RESERVE PROGRAM

4 For necessary expenses to carry out a conservation  
5 reserve program as authorized by subtitles B and C of the  
6 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and  
7 1816), and to carry out liquidation activities for the acreage  
8 reserve program, to remain available until expended,  
9 \$140,000,000, with which may be merged the unexpended  
10 balances of funds heretofore appropriated for soil bank pro-  
11 grams: *Provided*, That no part of these funds shall be paid  
12 on any contract which is illegal under the law due to the  
13 division of lands for the purpose of evading limits on annual  
14 payments to participants.

15 EMERGENCY CONSERVATION MEASURES

16 For emergency conservation measures, to be used for  
17 the same purposes and subject to the same conditions as  
18 funds appropriated under this head in the Third Supple-  
19 mental Appropriation Act, 1957, to remain available until  
20 expended. \$5,000,000, with which shall be merged the  
21 unexpended balances of funds heretofore appropriated for  
22 emergency conservation measures.

## 1           RURAL COMMUNITY DEVELOPMENT SERVICE

## 2                   SALARIES AND EXPENSES

3       For necessary expenses, not otherwise provided for, of  
4 the Rural Community Development Service in providing  
5 leadership, coordination, liaison, and related services in the  
6 rural areas development activities of the Department,  
7 \$637,000: *Provided*, That not to exceed \$3,000 shall be  
8 available for employment under section 15 of the Act of  
9 August 2, 1946 (5 U.S.C. 55a).

## 10           OFFICE OF THE INSPECTOR GENERAL

## 11                   SALARIES AND EXPENSES

12       For necessary expenses of the Office of the Inspector  
13 General, including employment pursuant to the second sen-  
14 tence of section 706 (a) of the Organic Act of 1944 (5  
15 U.S.C. 574) and not to exceed \$10,000 for employment  
16 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
17 55a), \$11,254,000.

## 18           PACKERS AND STOCKYARDS ACT

19       For expenses necessary for administration of the Packers  
20 and Stockyards Act, as authorized by law, including field  
21 employment pursuant to section 706 (a) of the Organic Act  
22 of 1944 (5 U.S.C. 574), \$2,400,000.



## 1                   OFFICE OF THE GENERAL COUNSEL

## 2                   SALARIES AND EXPENSES

3       For necessary expenses, including payment of fees or  
4   dues for the use of law libraries by attorneys in the field  
5   service, \$4,325,000.

## 6                   OFFICE OF INFORMATION

## 7                   SALARIES AND EXPENSES

8       For necessary expenses of the Office of Information for  
9   the dissemination of agricultural information and the coordi-  
10   nation of informational work and programs authorized by  
11   Congress in the Department, \$1,826,000, of which total  
12   appropriation not to exceed \$537,000 may be used for  
13   farmers' bulletins, which shall be adapted to the interests  
14   of the people of the different sections of the country,  
15   an equal proportion of four-fifths of which shall be available  
16   to be delivered to or sent out under the addressed franks  
17   furnished by the Senators, Representatives, and Delegates  
18   in Congress, as they shall direct (7 U.S.C. 417), and not  
19   less than two hundred and thirty-two thousand two hundred  
20   and fifty copies for the use of the Senate and House of Rep-  
21   resentatives of part 2 of the annual report of the Secretary  
22   (known as the Yearbook of Agriculture) as authorized by  
23   section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :

1 *Provided*, That in the preparation of motion pictures or ex-  
2 hibits by the Department, this appropriation shall be avail-  
3 able for employment pursuant to the second sentence of  
4 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574) ,  
5 and not to exceed \$10,000 shall be available for employment  
6 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
7 55a) .

#### 8 NATIONAL AGRICULTURAL LIBRARY

##### 9 SALARIES AND EXPENSES

10 For necessary expenses of the National Agricultural  
11 Library, \$2,147,000: *Provided*, That this appropriation  
12 shall be available for employment pursuant to the second  
13 sentence of section 706 (a) of the Organic Act of 1944 (5  
14 U.S.C. 574) , and not to exceed \$35,000 shall be available  
15 for employment under section 15 of the Act of August 2,  
16 1946 (5 U.S.C. 55a) .

#### 17 OFFICE OF MANAGEMENT SERVICES

##### 18 SALARIES AND EXPENSES

19 For necessary expenses to enable the Office of Manage-  
20 ment Services to provide management support services to  
21 selected agencies and offices of the Department of Agricul-  
22 ture, \$2,600,000.



## GENERAL ADMINISTRATION

## SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,959,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

## TITLE II—CREDIT AGENCIES

## RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

## LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from

1 the Secretary of the Treasury in accordance with the pro-  
2 visions of section 3 (a) of said Act, and to remain available  
3 without fiscal year limitation in accordance with section 3 (e)  
4 of said Act, as follows: Rural electrification program,  
5 \$365,000,000, of which \$72,500,000 shall be placed in  
6 reserve to be borrowed under the same terms and conditions  
7 to the extent that such amount is required during the cur-  
8 rent fiscal year under the then existing conditions for the  
9 expeditious and orderly development of the rural electrifica-  
10 tion program; and rural telephone program, \$97,000,000,  
11 of which \$6,000,000 shall be placed in reserve to be bor-  
12 rowed under the same terms and conditions to the extent  
13 that such amount is required during the current fiscal year  
14 under the then existing conditions for the expeditious and  
15 orderly development of the rural telephone program.

16 **SALARIES AND EXPENSES**

17 For administrative expenses, including not to exceed  
18 \$500 for financial and credit reports, funds for employment  
19 pursuant to the second sentence of section 706 (a) of the  
20 Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
21 \$150,000 for employment under section 15 of the Act of  
22 August 2, 1946 (5 U.S.C. 55a), \$12,202,000.



## FARMERS HOME ADMINISTRATION

## DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$90,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

## RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306 (a) (2) and 306 (a) (6) of the Consolidated Farmers Home Administration Act of 1961, as amended, \$26,000,000.

## RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518 (d) of the Housing Act of 1949 (79 Stat. 500), \$15,000,000 shall be available from funds in the rural housing direct loan account.

## 1           RURAL HOUSING FOR DOMESTIC FARM LABOR

2           For financial assistance to public nonprofit organiza-  
3 tions for housing for domestic farm labor, pursuant to sec-  
4 tion 516 of the Housing Act of 1949, as amended (42  
5 U.S.C. 1486), \$3,000,000, to remain available until  
6 expended.

## 7           RURAL RENEWAL

8           For necessary expenses, including administrative ex-  
9 penses, in carrying out rural renewal activities under section  
10 32 (e) of title III of the Bankhead-Jones Farm Tenant  
11 Act, as amended, \$1,200,000, to remain available until  
12 expended.

## 13           SALARIES AND EXPENSES

14           For necessary expenses of the Farmers Home Adminis-  
15 tration, not otherwise provided for, in administering the  
16 programs authorized by the Consolidated Farmers Home  
17 Administration Act of 1961 (7 U.S.C. 1921-1990), as  
18 amended, title V of the Housing Act of 1949, as amended  
19 (42 U.S.C. 1471-1490), and the Rural Rehabilitation  
20 Corporation Trust Liquidation Act, approved May 3,  
21 1950 (40 U.S.C. 440-444) ; \$51,057,000, together with



1 not more than \$2,250,000 of the charges collected in  
2 connection with the insurance of loans as authorized  
3 by section 309 (e) of the Consolidated Farmers Home  
4 Administration Act of 1961, as amended, and section  
5 514 (b) (3) of the Housing Act of 1949, as amended:  
6 *Provided, That*, in addition, not to exceed \$500,000 of the  
7 funds available for the various programs administered by  
8 this agency may be transferred to this appropriation for  
9 temporary field employment pursuant to the second sen-  
10 tence of section 706 (a) of the Organic Act of 1944 (5  
11 U.S.C. 574) to meet unusual or heavy workload increases:  
12 *Provided further, That* no part of any funds in this para-  
13 graph may be used to administer a program which makes  
14 rural housing grants pursuant to section 504 of the Housing  
15 Act of 1949, as amended.

16 TITLE III—CORPORATIONS

17 The following corporations and agencies are hereby  
18 authorized to make such expenditures, within the limits of  
19 funds and borrowing authority available to each such cor-  
20 poration or agency and in accord with law, and to make

1 such contracts and commitments without regard to fiscal  
2 year limitations as provided by section 104 of the Govern-  
3 ment Corporation Control Act, as amended, as may be  
4 necessary in carrying out the programs set forth in the  
5 budget for the current fiscal year for such corporation or  
6 agency, except as hereinafter provided:

7       FEDERAL CROP INSURANCE CORPORATION

8       ADMINISTRATIVE AND OPERATING EXPENSES

9       For administrative and operating expenses, \$8,342,000.

10       FEDERAL CROP INSURANCE CORPORATION FUND

11       Not to exceed \$4,150,000 of administrative and operat-  
12 ing expenses may be paid from premium income: *Provided*,  
13 That in the event the Federal Crop Insurance Corporation  
14 Fund is insufficient to meet indemnity payments and other  
15 charges against such Fund, not to exceed \$500,000 may  
16 be borrowed from the Commodity Credit Corporation under  
17 such terms and conditions as the Secretary may prescribe,  
18 but repayment of such amount shall include interest at a  
19 rate not less than the cost of money to the Commodity  
20 Credit Corporation for a comparable period.



## 1 COMMODITY CREDIT CORPORATION

## 2 REIMBURSEMENT FOR NET REALIZED LOSSES

3 'To partially reimburse the Commodity Credit Corpora-  
4 tion for net realized losses sustained but not previously reim-  
5 bursed, pursuant to the Act of August 17, 1961 (15 U.S.C.  
6 713a-11, 713a-12), \$3,500,000,000: *Provided*, That no  
7 funds appropriated by this Act shall be used to formulate  
8 or administer programs for the sale of agricultural commod-  
9 ities pursuant to Titles I or IV of Public Law 480, 83rd  
10 Congress, as amended, to any nation which sells or furnishes  
11 or which permits ships or aircraft under its registry to  
12 transport to North Vietnam any equipment, materials or  
13 commodities, so long as North Vietnam is governed by a  
14 Communist regime.

## 15 LIMITATION ON ADMINISTRATIVE EXPENSES

16 Nothing in this Act shall be so construed as to prevent  
17 the Commodity Credit Corporation from carrying out any  
18 activity or any program authorized by law: *Provided*, That  
19 not to exceed \$34,300,000 shall be available for adminis-  
20 trative expenses of the Corporation: *Provided further*, That  
21 \$945,000 of this authorization shall be available only to  
22 expand and strengthen the sales program of the Corporation  
23 pursuant to authority contained in the Corporation's charter:

1 *Provided further*, That not less than 7 per centum of this  
2 authorization shall be placed in reserve to be apportioned  
3 pursuant to section 3679 of the Revised Statutes, as amended,  
4 for use only in such amounts and at such times as may be-  
5 come necessary to carry out program operations: *Provided*  
6 *further*, That all necessary expenses (including legal and  
7 special services performed on a contract or fee basis, but not  
8 including other personal services) in connection with the  
9 acquisition, operation, maintenance, improvement, or dispo-  
10 sition of any real or personal property belonging to the Cor-  
11 poration or in which it has an interest, including expenses  
12 of collections of pledged collateral, shall be considered as non-  
13 administrative expenses for the purposes hereof.

14 PUBLIC LAW 480

15 For expenses during fiscal year 1967, not otherwise  
16 recoverable, and unrecovered prior years' costs, including  
17 interest thereon, under the Agricultural Trade Development  
18 and Assistance Act of 1954, as amended (7 U.S.C. 1701-  
19 1709, 1721-1724, 1731-1736), to remain available until  
20 expended, as follows: (1) Sale of surplus agricultural com-  
21 modities for foreign currencies pursuant to title I of said Act,  
22 \$1,040,000,000; (2) commodities disposed of for emergency



1 famine relief to friendly peoples pursuant to title II of said  
 2 Act, \$200,000,000; and (3) long-term supply contracts  
 3 pursuant to title IV of said Act, \$377,000,000.

#### 4 INTERNATIONAL WHEAT AGREEMENT

5 For expenses during fiscal year 1967 and unrecovered  
 6 prior years' costs, including interest thereon, under the In-  
 7 ternational Wheat Agreement Act of 1949, as amended (7  
 8 U.S.C. 1641-1642), or commodity export authorities of the  
 9 Commodity Credit Corporation, \$40,000,000, to remain  
 10 available until expended.

### 11 TITLE IV—RELATED AGENCIES

#### 12 FARM CREDIT ADMINISTRATION

##### 13 LIMITATION ON ADMINISTRATIVE EXPENSES

14 Not to exceed \$3,032,000 (from assessments collected  
 15 from farm credit agencies) shall be obligated during the cur-  
 16 rent fiscal year for administrative expenses.

#### 17 NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER 18 EXPENSES

19 For necessary expenses, not otherwise provided, of the  
 20 National Advisory Commission on Food and Fiber estab-  
 21 lished to assist the President's Committee on Food and Fiber,  
 22 including services as authorized by section 15 of the Act of  
 23 August 2, 1946 (5 U.S.C. 55a), \$350,000.

## TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and twenty-one passenger motor vehicles for replacement only, and for the hire of such vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or



1 incident to research or experimental work where no suitable  
2 domestic product is available, no part of the funds appropri-  
3 ated by this Act shall be expended in the purchase of twine  
4 manufactured from commodities or materials produced out-  
5 side of the United States.

6 SEC. 506. Not less than \$1,500,000 of the appropria-  
7 tions of the Department for research and service work author-  
8 ized by the Acts of August 14, 1946, July 28, 1954, and  
9 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.  
10 1891-1893), shall be available for contracting in accordance  
11 with said Acts.

12 SEC. 507. No part of any appropriation contained in  
13 this Act shall remain available for obligation beyond the  
14 current fiscal year unless expressly so provided herein.

15 This Act may be cited as the "Department of Agricul-  
16 ture and Related Agencies Appropriation Act, 1967".

Passed the House of Representatives April 26, 1966.

Attest:

RALPH R. ROBERTS,

*Clerk.*





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# AN ACT

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Making appropriations for the Department of  
Agriculture and related agencies for the  
fiscal year ending June 30, 1967, and for  
other purposes.

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APRIL 27, 1966

Read twice and referred to the Committee on  
Appropriations





# AN ACT

to amend the law relating to the  
 the several counties of the State of New York  
 in relation to the

the several counties of the State of New York  
 in relation to the

# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued June 29, 1966  
For actions of June 28, 1966  
89th-2nd; No. 106

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HIGHLIGHTS: Both Houses passed continuing appropriations resolution. Senate subcommittee approved agricultural appropriation bill. Senate committee reported screw-worm eradication bill. Senate adopted conference report on cotton research promotion bill. Sen. Proxmire spoke in favor of school milk program.

### HOUSE

1. APPROPRIATIONS. Both Houses passed H. J. Res. 1180, the continuing appropriations resolution. This measure will now be sent to the President. Sen. Russell, Ga., stated this resolution "is the usual type of resolution which comes before the Senate each year...from the House and is necessary to continue projects and activities of the Government until the appropriations bills are enacted into law. All authority under this resolution expires August 31, 1966." pp. 13843-44, 13874-94



2. LIBRARIES. Concurred in Senate amendments to H. R. 14050, to extend and amend the Library Services and Construction Act. This bill will now be sent to the President. pp. 13894-5, 13945
3. CIVIL DEFENSE. Passed without amendment H. R. 13125, to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended. p. 13898
4. HOUSING. The Banking and Currency Committee voted to report (but did not actually report) H. R. 15890, amended, to assist city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in these areas, and to improve and amend our housing programs. p. D587
5. WATER. A subcommittee of the Interior and Insular Affairs Committee approved for full committee action H. R. 4671, amended, to authorize the construction, operation, and maintenance of the Lower Colorado River Basin project. p. D588
6. LABOR STANDARDS. Rep. Farnsley inserted an article, "Almost a Whole Loaf for Labor," commending passage of the minimum wage bill. p. 13942
7. TRANSPORTATION. Rep. Mink spoke in support of the proposed Department of Transportation and the advantages such a department would provide Hawaii. pp. 13943-4
8. MARKETING. Rep. Tunney urged enactment of legislation to provide adequate protection for consumers with regard to labeling and packaging. p. 13945
9. GRAIN STANDARDS. Received from this Department a proposed bill to provide for U. S. standards and a uniform national inspection system for grain; to Agriculture Committee. p. 13948
10. RESEARCH. Rep. Hanna paid tribute to the University of California and its agricultural programs. pp. 13904-31
11. OPINION POLL. Rep. Martin, Ala., inserted the results of a questionnaire including items of interest to this Department. p. 13947

#### SENATE

12. SCREW-WORM. The Agriculture and Forestry Committee reported with amendment S. 3325, to authorize this Department to cooperate in screw-worm eradication in Mexico (S. Rept. 1342). p. 13776
13. COTTON. Received and agreed to conference report on H. R. 12322, the cotton research and promotion bill. p. 13780
14. APPROPRIATIONS. A subcommittee of the Appropriations Committee approved for full committee consideration, H. R. 14596, fiscal 1967 appropriations for this Department, and related agencies. p. D585
15. WATER RESOURCES. The Interior and Insular Affairs Committee reported without amendment S. 3186, to increase the authorization for continuing work on the Missouri River Basin Project (S. Rept. 1340); voted to report (but did not actually report) S. 3034, to authorize feasibility studies of certain potential Federal reclamation projects in 17 Western States; and voted to report (but did







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
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POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued July 13, 1966  
For actions of July 12, 1966  
89th-2nd; No. 110

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HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Senate passed child nutrition bill. House debated foreign aid authorization bill. House agreed to Senate amendments to screw-worm eradication bill. House agreed to Senate amendments to pay bill.

### SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1967. The Appropriations Committee reported with amendments this bill, H. R. 14596 (S. Rept. 1370) (p. 14512). Attached to this Digest is the committee report, which includes a statement of committee actions. Sen. Proxmire expressed disappointment in the appropriation for the special milk program and stated that he is contemplating asking for an amendment to provide \$110 million for this program (p. 14541).



2. WATER RESOURCES. Passed as reported S. 3034, to authorize feasibility studies of certain potential Federal reclamation projects in 17 Western States. pp. 14561-70
3. AIR POLLUTION. Passed as reported, 80-0, S. 3112, the proposed Clean Air Act Amendments of 1966. Sen. Muskie stated that "The primary purposes of the bill are to consolidate appropriation authorizations in the Clean Air Act and to authorize funds to continue the program through 1969." pp. 14570-84
4. CHILD NUTRITION. Passed as reported, 76-0, S. 3467, the child nutrition bill. Rejected, 37-42, an amendment by Sen. Ribicoff to establish a special summer lunch program (pp. 14584-6, 14589-609). The bill, with the committee amendment, would amend the National School Lunch Act by adding provisions for:
  - "(1) A special milk program for fiscal years 1967, 1968, 1969, and 1970...
  - "(2) A pilot breakfast program for fiscal years 1967 and 1968 in schools drawing attendance from poor economic areas and in schools to which the children must travel long distances...
  - "(3) A permanent program for nonfood assistance to schools drawing attendance from areas in which poor economic conditions exist...; and
  - "(4) General administration..., including provision for--
    - (A) appropriation of funds to assist State educational agencies, when necessary, in administering additional activities...;
    - (B) authorizing the Secretary to extend school feeding programs under the act to include preschool programs operated as part of the school system; and
    - (C) centralization in the Department of Agriculture of the administration of Federal programs to assist school feeding programs."
5. WATER POLLUTION. Began debate on S. 2947, to amend the Federal Water Pollution Control Act in order to improve and make more effective certain programs pursuant to such Act. pp. 14610-14
6. ROADS. A subcommittee of the Public Works Committee approved for full committee consideration with amendments S. 3155, the proposed Federal-Aid Highway Act of 1966. p. D610
7. FOREIGN AID. Sen. Javits discussed and submitted an amendment to S. 3584, the foreign aid authorization bill, which "would propose an across-the-board, 2-year authorization for the economic aid portion of the foreign aid bill." pp. 14527-8
8. WATER FOR PEACE. Sen. Moss commended the provisions of S. J. Res. 167, to organize and hold an International Conference on Water for Peace and asked that his name be added as a cosponsor. pp. 14529-30
9. ECONOMY. Sen. Proxmire spoke in opposition to any tax increase at this time. p. 14530  
Sen. Proxmire criticized the "spiraling" interest rates and inserted excerpts from the Wall Street Journal on the subject. pp. 14534-7

## DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1967

JULY 12, 1966.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted  
the following

### R E P O R T

[To accompany H.R. 14596]

The Committee on Appropriations, to which was referred the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made:

Amount of bill as passed House.....	\$6, 876, 027, 000
Amount of increase by Senate committee (net).....	175, 516, 300
Amount of bill as reported to Senate.....	7, 051, 543, 300
Amount of appropriations, 1966 (adjusted).....	6, 381, 448, 500
Amount of estimates for 1967.....	7, 022, 638, 000
The bill as reported to the Senate:	
Over the appropriations for 1966.....	670, 094, 800
Over the estimates for 1967.....	28, 905, 300



## GENERAL STATEMENT

The Senate committee bill is in the amount of \$7,051,543,300 an increase of \$175,516,300 over the House bill, and is \$28,905,300 over the budget estimates and \$670,094,800 over the 1966 Appropriations.

The bill includes \$1,869,542,300 for the general and credit agency activities of the Department under title I and title II of the bill for related credit agencies under title II. The total amounts recommended represent a decrease of \$16,670,200 under the comparative appropriations for 1966, and a net increase of \$159,207,300 over the House bill and a net increase of \$101,950,300 over the budget estimates.

The major increases over the House bill and the budget estimates are principally due to the committee recommendations to make direct appropriations from general revenue funds to pay the expenses of the Special Milk Program and the Food Stamp Program rather than to use funds available from the permanent authorization of section 32. The recommendations of the committee are in accord with the authorizing legislation for both acts, and these changes by the committee represent a net increase for these activities of \$155,000,000 over the House bill.

Title III of the bill carries the recommended appropriations for the Federal Crop Insurance Corporation and the appropriations authorized by various laws (1) to reimburse the Commodity Credit Corporation for losses incurred for regular price support activities and (2) to finance the costs of the foreign assistance programs under Public Law 480, as amended.

Under this title the recommended appropriations are \$73,000,000 under the budget estimates, \$687,665,000 net over the Appropriations for 1966, and \$16,059,000 over the House bill. The recommended appropriation of \$3,555,855,000 to reimburse the Commodity Credit Corporation is for the purpose of restoring the capital impairment, by appropriation, for net realized losses already incurred in the conduct of regular farm program activities, and in accordance with the provisions of Public Law 87-155, approved August 17, 1961.

The appropriations recommended for the authorizations of Public Law 480, as amended, total \$1,617,000,000, the amount of the budget estimate and the House bill, and a net decrease of \$41,000,000 under the comparative amounts for 1966.

There is shown below a summary, by titles of the bill, setting forth the budget estimates considered by the committee, the amounts carried in the House bill, the amounts recommended by the committee, together with a comparison of the committee recommendations, plus or minus the budget estimates, as amended.

*Summary of the bill by titles*

Title	Budget estimates, 1967	House bill, 1967	Senate committee, 1967	Senate committee (+) or (-) budget estimates
Title I—General activities.....	\$1,669,590,000	\$1,616,876,000	\$1,776,040,300	+\$106,450,300
Title II—Credit agencies.....	98,002,000	93,459,000	93,502,000	-4,500,000
Total, titles I and II.....	1,767,592,000	1,710,335,000	1,869,542,300	+101,950,300
Title III—Corporations:				
Federal Crop Insurance Corporation.....	8,546,000	8,342,000	8,546,000	-----
Reimbursement for net realized losses.....	3,555,855,000	3,500,000,000	3,555,855,000	-----
Subtotal, corporations.....	3,564,401,000	3,508,342,000	3,564,401,000	-----
Foreign assistance programs:				
Public Law 480: Titles I, II, and IV.....	1,617,000,000	1,617,000,000	1,617,000,000	-----
International Wheat Agreement.....	60,000,000	40,000,000	-----	-60,000,000
Bartered materials for supplemental stockpile.....	13,000,000	-----	-----	-13,000,000
Subtotal, foreign assistance programs.....	1,690,000,000	1,657,000,000	1,617,000,000	-73,000,000
Total, title III.....	5,254,401,000	5,165,342,000	5,181,401,000	-73,000,000
Title IV—Related agencies:				
Farm Credit Administration.....	(3,032,000)	(3,032,000)	(3,032,000)	-----
National Advisory Commission on Food and Fiber.....	645,000	350,000	600,000	-45,000
Total, title IV.....	645,000	350,000	600,000	-45,000
Grand total.....	7,022,638,000	6,876,027,000	7,051,543,300	+28,905,300

FARM LABOR SITUATION

In the committee report accompanying the Department of Agriculture Appropriation Bill for the 1966 fiscal year (Senate Report No. 423), the Committee took notice of the then existing shortage of capable farm labor and requested the Department to make a comprehensive study of the entire farm labor situation. This information has not reached the Committee but is expected to be received shortly.

The farm labor situation, if anything, is likely to become more acute this year. The over-all unemployment rate is down to 3.7 percent. More significantly, the unemployment rate for adult men was 2.4 percent in April 1966, the lowest in over 12 years. Peak seasonal worker requirements in agriculture have yet to be encountered and already labor shortages have developed in Florida, California, and elsewhere.

The tight labor supply situation currently existing underscores the need for the detailed analysis of the agricultural labor situation requested of the Department by the Committee last year. In view of current and prospective labor shortages, the Committee requests that the Department prepare and submit to it a program setting forth additional research and development requirements, and the cost involved, which should be promptly undertaken to bring about the earliest practical utilization of labor saving devices in the production, cultivation, harvesting, and processing of those crops which presently require large amounts of seasonal hand labor. It is expected that this program will be submitted to the Committee as soon as possible.

Further, the Committee believes that the Department is now in a position, based upon the findings of the study that is currently under



way, to give immediate consideration to the inclusion in the budget for fiscal year 1968 of research funds which would be required to carry out the more pressing needs in this particular area.

## TITLE I—GENERAL ACTIVITIES

### AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service is the principal research agency within the Department of Agriculture and is responsible within the Department for the conduct of a number of research programs which include (a) farm research, (b) utilization research and development, (c) marketing research, (d) nutrition and consumer use research, and (e) oversea research conducted under the special foreign currency program, which is financed under a separate appropriation item.

#### *Salaries and expenses—Research*

Funds available	Available, 1966	Estimates, 1967	House bill, 1967	Committee 1967
By appropriation.....	\$125,959,000	\$107,980,000	\$120,673,000	\$123,844,600
By transfer from sec. 32.....	(18,100,000)	(25,000,000)	(25,000,000)	(25,000,000)
Total available.....	144,059,000	132,980,000	145,673,000	148,844,600

#### Comparisons with—

1966 available funds.....	+ \$4,785,600
Estimate for 1967.....	+ 15,864,600
House bill.....	+ 3,171,600

The Committee recommends a direct appropriation of \$123,844,600, together with a transfer from Section 32 permanent authorization for research of \$25,000,000 for a total of \$148,844,600 available for various types of research conducted by this agency. The budget estimate proposed the full use of transfer from Section 32 of \$25,000,000 for an increase of \$6,900,000 over 1966. This has been approved by the House and is recommended by the Committee. The Committee has inserted a provision in the bill to require that for fiscal 1968 the budget estimate for use of Section 32 funds for research purposes will be limited to not to exceed \$15,000,000.

The amounts recommended by the Committee reflect a net increase of \$4,785,600 over funds available in 1966, an increase of \$15,864,600 over the estimates for 1967, and \$3,171,600 over the House bill. The budget request included \$750,700 for Pay Act costs, pursuant to Public Law 89-301 and this amount is included in the Committee recommendations and was carried in the House bill. There follows a description of the recommendations of the Committee dealing with construction of facilities, the staffing of laboratories and research centers, the acceleration of research activities, and the proposed eliminations for research.

#### CONSTRUCTION AND MODERNIZATION OF RESEARCH FACILITIES

Last year the Congress approved planning funds for the construction, modernization and enlargement of 11 research facilities. The budget for 1967 only requested \$1,637,000 of the total requirements of

\$11,319,000 for construction purposes. The Committee has recommended the full amount of construction funds which is an increase of \$700,000 over the amount carried in the House bill.

In addition, the attention of the Committee was brought to the need for several other research facilities and for the enlargement and modernization of existing research facilities. It is recommended that \$550,000 be provided for construction and planning of these facilities. The amounts and purpose of each are: \$175,000 to provide modern greenhouses at the Southern Piedmont Research Center, Watkinsville, Georgia; \$25,000 for a feasibility study for a proposed soil and water research center and laboratory for the Northern Great Plains, Rapid City, South Dakota; \$100,000 to provide modern laboratory-office space with adequate temperature controls for the Sugarcane Research Station at Canal Point, Florida; and \$250,000 to modernize and renovate the greenhouse facilities at the Ornamental Plant Section, Beltsville, Maryland. The total amount thus recommended by the Committee for planning and for construction purposes for research facilities is \$11,869,000, an increase of \$10,232,000 over the budget estimate and \$1,250,000 over the amount carried in the House bill. The amount recommended for construction is an increase of \$451,000 over the \$11,418,000 appropriated last year for plans, construction, alteration and improvement of research facilities. The tabulation of the several facilities and amounts follows:

Grain marketing research, Manhattan, Kans-----	\$3,160,000
Cereal rust research, St. Paul, Minn-----	600,000
National Sedimentation Laboratory, Oxford, Miss-----	935,000
Range livestock research, Miles City, Mont-----	481,000
Meat animal research, Clay Center, Nebr-----	3,450,000
Nutrition and consumer use research, Grand Forks, N. Dak-----	583,000
Soil and water research, Pendleton, Oreg-----	380,000
Pasture research, University Park, Pa-----	360,000
Soil and water research, Bushland, Tex-----	325,000
Barley research, Madison, Wis-----	345,000
Poultry husbandry research, Tucson, Ariz-----	700,000
Southern Piedmont Research Center, Watkinsville, Ga-----	175,000
Feasibility study for Soil and Water Conservation Research Center, Rapid City, S. Dak-----	25,000
Laboratory-office facilities, Canal Point, Fla-----	100,000
Modernization of greenhouses, Beltsville, Md-----	250,000
Total-----	11,869,000

#### STAFFING OF RESEARCH CENTERS AND LABORATORIES

The 1967 budget requested an increase of \$3,512,000 for additional staffing of several new laboratories and research centers. The House bill provided \$1,800,000 for this purpose and the Committee recommends \$2,513,200, an increase of \$713,200 over the House bill, and a reduction in the budget estimate of \$998,800. The Committee concurs in the distribution made by the Department of the House amounts and these funds, together with the Committee recommendation, will provide the full amount of the budget estimate for staffing soil and water conservation and other farm research facilities, and will also provide an additional \$500,000 to meet the more essential needs of the expanded utilization research laboratories for which construction funds were appropriated three years ago.



## ACCELERATION OF RESEARCH ACTIVITIES

The Committee has acted upon several requests for the acceleration of research for several items which were not included in the budget estimates. These increases amount to \$2,644,000 and are as follows:

(1) An increase of \$94,000 is recommended for accelerating research investigations in water harvesting techniques at the Soil and Water Conservation Laboratory at Tempe, Arizona;

(2) An increase of \$100,000 over the House bill and \$200,000 over the budget estimate is recommended for instituting research on Equine Infectious Anemia known as Swamp Fever. There have been several outbreaks of Swamp Fever and the incidence of this disease is causing concern to the equine industry;

(3) An increase of \$40,000 is recommended for accelerating processing research on mechanically harvested dates. Last year's Appropriation Act carried an allocation of \$40,000 to be derived from the Contingency Fund, but the date processing problems arising from mechanical harvesting procedures necessitate a research investigation of several years duration. Since this project will require a few years it should be financed in the regular manner;

(4) An appropriation of \$200,000 is recommended for the initial staffing of the entomology and crop research laboratory at Tucson, Arizona. This new laboratory will be completed this fall but the budget did not request any funds for staffing in 1967. This new laboratory was constructed to meet the urgent needs of the agricultural industry. The research program at the laboratory will include studies to develop more efficient utilization of bees in crop pollination; the bee physiology and behavior in relation to pheromones; bee nutrition, and to expand the research on bee handling and on honey processing;

(5) An increase of \$175,000 is recommended for accelerating and improving the agricultural insect identification program and procedures to speed up the insect identification processes. The Committee is also advised that there is need for up-to-date facilities for this purpose, and consideration of this need should be taken into account in the formulation of future budgets;

(6) A \$25,000 increase for soil and water research dealing with the sedimentation processes with headquarters at Danville, Vermont;

(7) An increase of \$100,000 is recommended for initiating a regular research program to determine the cause of blue comb disease of turkeys. Last year \$90,000 was made available from the Contingency Research Fund for a research contract. It appears now that it will be necessary to undertake regular research programs to find the cause and then the solution to this disease which results in an estimated \$10 million annual loss to turkey production. The Contingency Fund is to be used again for such additional funds as are required to undertake the accelerated research program;

(8) An increase of \$120,000 is recommended for research on the new type "cold lands" upon which sugarcane is now produced. The research will include studies on varietal strains of sugarcane suited to these new type lands and will be conducted at the new laboratory facility at Canal Point, Florida;

(9) An increase of \$450,000 is recommended for accelerating the investigations of production diseases affecting soybeans and for the development of improved soybean varieties, together with investigation of the factors affecting soybean yields.

In addition, the Committee supports the recommendation carried in the House bill of a basic research grant of \$400,000 under the Cooperative State Research Service to cope with other problems affecting soybean production;

(10) An increase of \$130,000 is recommended to accelerate research on the stubborn disease and other virus diseases affecting citrus, including tristeza. The stubborn disease is a serious virus disease which causes dwarfing of the trees and of the fruit, and the tristeza is a virus which kills sweet orange trees growing on sour orange rootstock. Accelerated research is essential to determine the cause of the stubborn disease, and if possible, to stop its further spread. The tristeza virus disease was originally found over 20 years ago in Brazil where it killed 20 million trees.

Several million trees were also lost in California and currently it is causing great losses in Spain. This disease has been present in a mild form in Florida since 1950, but a new outbreak of the more serious form was found in the orchards in Florida in 1965 and has already killed over 1,000 trees. In view of the widespread use of sour orange rootstock, it is essential that research be undertaken to develop better methods of diagnosis and to preclude and/or to control further spread of tristeza;

(11) An increase of \$150,000 is recommended for initiating research into the increased incidence of and development of controls to eliminate abscesses in swine. Swine abscesses have been causing increased losses and have resulted in a condemnation rate as high as 20% at Federally inspected packing plants;

(12) An additional \$500,000 is recommended to accelerate the special cost-cutting research program on cotton pending completion of research facilities for which construction funds totaling \$2,760,000 were appropriated last year plus \$2,865,000 of research funds;

(13) An increase of \$120,000 is recommended for staffing the corn virus research facilities provided a year ago;

(14) An increase of \$40,000 is recommended for accelerating entomology research at the tobacco station at Quincy, Florida; and

(15) An increase of \$400,000 for the development of mechanical grain grading equipment.

The Committee expects the Department to continue the cooperative research projects on live chicken handling and evaluation studies on fruit quality and storage life.

The attention of the Committee was directed to additional needs for the Southwestern Research Field Station at Brawley, California, as well as to several other needs for accelerated research. The Committee expects the Department to give careful consideration to the station at Brawley, California, in the formulation of its budget for fiscal 1968.



## REDUCTION AND ELIMINATION OF RESEARCH ACTIVITIES

The budget estimate proposed three different categories and lists of projects and lines of research for reductions and eliminations effective in fiscal 1967. The total for these three listings was \$5,401,300. The House denied all of these reductions and included language in the bill requiring the continuation of research for these activities for next year. The Committee concurs in the House action to continue projects conducted in 1966 in the amount of \$791,300, and in the action of the House to agree to discontinue projects conducted in 1966 amounting to \$159,700.

The budget estimate for 1967 also proposed additional reductions of \$4,610,000 at 70 different locations. As indicated above, the House denied all of these proposed eliminations and reductions, but after careful review the Committee has concurred in a reduction of projects totaling \$1,435,600. It was found that in several instances projects had been completed or the work was being transferred to new facilities, and that in some cases the research activity could be postponed. The Committee thus recommends the continuation of projects totaling \$3,174,400 and the elimination of \$1,435,600. A complete list of the projects showing the amounts proposed for discontinuance or elimination, the amounts concurred in, and the amounts to be retained follows:

LISTING OF PROPOSED DECREASES FOR RESEARCH, 1967 BUDGET ESTIMATES

Item	Decreases recom- mended by De- partment in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amount's recom- mended for elim- ination in fiscal year 1967 budget	Amount's recom- mended for re- search to be con- tinued
FARM RESEARCH			
ANIMAL HUSBANDRY RESEARCH			
(1) Closing sheep breeding research station at Fort Wingate, N. Mex.....	\$88,900	\$88,900	
(2) Elimination of small swine husbandry research project at Miles City, Mont.....	25,300	25,300	
(3) Elimination of cooperative population genetics research with small laboratory organisms at Lafayette, Ind.....	48,500		\$48,500
(4) Elimination of cooperative beef cattle breeding research nearing completion at Ames, Iowa.....	10,000		10,000
(5) Reduction in beef and dairy cattle husbandry research, Tifton, Ga.....	43,200		43,200
(6) Reduction in meat carcass yield and quality studies, Beltsville, Md.....	52,100		52,100
(7) Reduction of research on production factors affecting quality of poultry products, Beltsville, Md.....	30,300	30,300	
(8) In view of more extensive research on these species to be initiated at Clay Center, Nebr, and cost reductions due to more efficient feed preparation facilities and automatic watering systems: Beltsville, Md.....	16,000	16,000	
(9) Miles City, Mont.....	7,000	7,000	
(10) Jeanerette, La.....	2,000	2,000	
Total, animal husbandry research.....	323,300	169,500	153,800



*Listing of proposed decreases for research, 1967 budget estimates—Continued*

Item	Decreases recommended by Department in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amounts recommended for elimination in fiscal year 1967 budget	Amounts recommended for research to be continued
FARM RESEARCH—Continued			
ANIMAL DISEASE AND PARASITE RESEARCH			
<i>Discontinuance of research under cooperative agreements with States as follows</i>			
(11) Virus diarrhea of cattle, Ames, Iowa.....	\$10,800	\$10,800	
(12) Brucellosis, St. Paul, Minn.....	5,400	5,400	
(13) Bozeman, Mont.....	5,400	5,400	
(14) Logan, Utah.....	5,400	5,400	
Vibriosis—sheep			
Vibriosis—cattle			
(15) Ithaca, N. Y.....	2,700	2,700	
(16) Transmissible gastroenteritis (TGE) of swine, Lafayette, Ind.....	14,500	14,500	
Air sac disease of chickens			
(17) Athens, Ga.....	9,700	9,700	
(18) Raleigh, N. C.....	9,700	9,700	
Airsacculities of turkeys			
(19) St. Paul, Minn.....	38,900		\$38,900
(20) Madison, Wis.....	38,900		38,900
Newcastle disease of poultry			
(21) Orono, Maine.....	16,300		16,300
Parasites of livestock			
(22) Lexington, Ky.—cattle and sheep.....	8,100		8,100
(23) Lincoln, Nebr.—swine.....	3,200		3,200

(24) Raleigh, N.C.—swine kidney worms.....	6,500	-----	6,500
(25) Fargo, N. Dak.—sheep.....	3,200	-----	3,200
(26) Study of toxicity of barium antimony tartrate to improve its efficacy in treatment of poultry diseases and parasites, Nacogdoches, Tex.....	8,600	8,600	-----
(27) Study of uniform particle size to enhance development and formulation of chemical and medicinal substances for use against parasites, Nacogdoches, Tex.....	13,700	-----	13,700
Total, animal disease and parasite research.....	201,000	72,200	128,800
CROPS RESEARCH			
(28) Discontinuation of research and extension activities in the Virgin Islands, St. Croix.....	169,900	169,900	-----
(29) Elimination of research in Palmer, Alaska.....	446,000	-----	446,000
(30) Range reseeding.....	8,900	8,900	-----
(31) Brush control.....	7,900	-----	7,900
(32) Discontinuation of research to control weeds in pasture and field crops at State College, Miss.....	29,100	-----	29,100
(33) Discontinuation of epidemiology of late blight of potatoes, bacterial spot of peppers and tomatoes, and brown spot of tobacco at Raleigh, N.C.....	20,300	-----	20,300
(34) Reduction of wheat smut research at Pullman, Wash.....	15,300	-----	15,300
<i>Reduction or termination of research on physiology, genetics, and breeding of improved varieties of wheat</i>			
(35) Aberdeen, Idaho (reduction).....	2,400	-----	2,400
(36) Manhattan, Kans. (reduction).....	5,000	-----	5,000
(37) St. Paul, Minn. (termination of cooperative agreement).....	7,100	-----	7,100
(38) Bozeman, Mont. (termination).....	37,600	-----	37,600
(39) Corvallis, Oreg. (reduction).....	25,200	-----	25,200
(40) Pendleton, Oreg. (termination).....	8,400	-----	8,400
(41) Logan, Utah (termination).....	17,700	-----	17,700
(42) College Station, Tex. (reduction).....	20,900	-----	20,900
(43) Pullman, Wash. (reduction).....	14,300	-----	14,300
Total.....	138,600	-----	138,600



*Listing of proposed decreases for research, 1967 budget estimates—Continued*

Item	Decreases recom- mended by De- partment in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amounts recom- mended for elim- ination in fiscal year 1967 budget	Amounts recom- mended for re- search to be con- tinued
FARM RESEARCH—Continued			
CROPS RESEARCH—continued			
Reduction or termination of wheat quality research			
(44) Manhattan, Kans. (reduction).....	\$13, 200	-----	\$13, 200
(45) Fargo, N. Dak. (reduction).....	60, 500	-----	60, 500
(46) Wooster, Ohio (reduction).....	9, 600	-----	9, 600
(47) Pullman, Wash. (termination).....	81, 700	-----	81, 700
Total.....	165, 000	-----	165, 000
Reduction of research on wheat rust and virus diseases			
(48) Manhattan, Kans. (reduction-rust).....	29, 800	-----	29, 800
(49) St. Paul, Minn. (reduction-rust).....	22, 600	-----	22, 600
(50) Lincoln, Nebr. (reduction-virus).....	13, 900	-----	13, 900
(51) Mayaguez, P. R. (reduction-rust).....	14, 300	-----	14, 300
Total.....	80, 600	-----	80, 600
(52) Reduction of research on sawfly resistance at Fargo, N. Dak.....	11, 200	-----	11, 200
Reduction of research on corn including hybrids for specific localities			
(53) Tifton, Ga. (genetics and breeding).....	32, 000	-----	32, 000
(54) Ames, Iowa (genetics and breeding).....	10, 900	-----	10, 900
(55) Beltsville, Md. (diseases).....	20, 600	-----	20, 600

(56) State College, Miss. (breeding).....	17, 300	-----	17, 300
(57) Columbia, Mo. (genetics and breeding).....	26, 300	-----	26, 300
(58) Raleigh, N.C. (diseases and breeding).....	41, 600	-----	41, 600
(59) Wooster, Ohio (physiology).....	22, 600	-----	22, 600
(60) Knoxville, Tenn. (breeding).....	17, 200	-----	17, 200
(61) Madison, Wis. (diseases).....	12, 500	-----	12, 500
Total.....	201, 000	-----	201, 000
<i>Reduction or termination of research on breeding improved varieties of grain sorghum</i>			
(62) Hays, Kans. (termination).....	20, 400	-----	20, 400
(63) Manhattan, Kans. (reduction).....	9, 100	-----	9, 100
(64) Beltsville, Md. (reduction).....	13, 500	-----	13, 500
(65) Lincoln, Nebr. (reduction).....	39, 400	-----	39, 400
(66) Stillwater, Okla. (termination).....	2, 100	-----	2, 100
(67) Mayaguez, P.R. (termination).....	26, 000	-----	26, 000
(68) Chillicothe, Tex. (termination).....	24, 400	-----	24, 400
Total.....	134, 900	-----	134, 900
<i>Reduction or termination of weed and nematode research related to corn, wheat and grain sorghum, and sugarcane</i>			
(69) Auburn, Ala. (termination—nematodes in corn).....	2, 000	-----	2, 000
(70) Tifton, Ga. (termination—nematodes in corn).....	2, 000	-----	2, 000
(71) Hays, Kans. (termination—weeds in wheat and grain sorghum).....	17, 900	-----	17, 900
(72) Beltsville, Md. (reduction—weeds and nematodes).....	24, 700	\$14, 600	10, 100
(73) Houma, La. (reduction—weeds in sugarcane).....	3, 500	-----	3, 500
(74) Bozeman, Mont. (termination—weeds in wheat).....	25, 100	-----	25, 100
(75) Whiteville, N.C. (termination—weeds in corn).....	56, 000	-----	56, 000
(76) Woodward, Okla. (termination—weeds in grain sorghum).....	11, 000	-----	11, 000
Total.....	142, 200	14, 600	127, 600



*Listing of proposed decreases for research, 1967 budget estimates—Continued*

Item	Decreases recom- mended by De- partment in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amounts recom- mended for elim- ination in fiscal year 1967 budget	Amounts recom- mended for re- search to be con- tinued
FARM RESEARCH—Continued			
CROPS RESEARCH—continued			
Reduction or termination of research on breeding improved flax varieties:			
(77) Brawley, Calif. (termination).....	\$35,000	\$35,000	
(78) Beltsville, Md. (reduction).....	8,000	8,000	
(79) Fargo, N. Dak. (reduction).....	16,200		\$16,200
(80) Brookings, S. Dak. (termination).....	21,500	21,500	
(81) College Station, Tex. (termination).....	1,100	1,100	
Total.....	81,800	65,600	16,200
(82) Elimination of cotton pathology research at University Park, N. Mex.....	14,800		14,800
(83) Elimination of cotton genetics and breeding at Marianna, Ark.....	15,100	15,100	
(84) Termination of cotton breeding at Brawley, Calif.....	10,800	10,800	
Total, crops research.....	1,693,400	284,900	1,408,500
ENTOMOLOGY RESEARCH			
(85) Termination of research on hoja blanca disease of rice at Baton Rouge, La.....	10,200	10,200	
(86) Termination of research on vectors of sugarcane mosaic at Houma, La.....	15,200		15,200
(87) Reduction of work on insect vectors of vegetable diseases at Beltsville, Md.....	5,000	5,000	
(88) Termination of research on biology and ecology of vectors of vegetables and sugarbeet diseases at Yakima, Wash.....	30,000		30,000
(89) Reduction in research on biology and ecology of vectors of deciduous fruit diseases at Riverside, Calif.....	35,300		35,300

<i>Termination of research on the development of varieties resistant to the Hessian fly and its biological races, and on corn ear worm resistant inbreds</i>			
(90) Lafayette, Ind.....	80,800	80,800	80,800
(91) Manhattan, Kans.....	26,700	26,700	26,700
<i>Reduction or termination of research on the development of corn borer resistant inbreds</i>			
(92) Ankeny, Iowa (reduction).....	113,400	79,900	33,500
(93) Wooster, Ohio (termination).....	12,300		12,300
(94) Termination of research on the development of small grains resistant to the greenbug at Stillwater, Okla.....	83,700		83,700
<i>Termination of research on wheat stem sawfly</i>			
(95) Fargo, N. Dak.....	33,500		33,500
(96) Bozeman, Mont.....	17,300		17,300
(97) Termination of research on biology and ecology of vectors of deciduous fruit diseases at Corvallis, Oreg.....	8,000		8,000
(98) Reduction of basic research on insect physiology at Beltsville, Md.....	30,300	30,300	
(99) Reduction of basic research on bioclimatology in relation to insects at Brownsville, Tex.....	22,000	22,000	
(100) Reduction of apiculture research, Baton Rouge, La.....	43,000		43,000
Total, entomology research.....	566,700	147,400	419,300
SOIL AND WATER CONSERVATION RESEARCH			
(101) Discontinuation of Soil and Water Conservation Division support at the Nation Tillage Machinery Laboratory at Auburn, Ala.....	5,000	5,000	
(102) Elimination of soil and water management studies related to irrigation and fertility at Thorsby, Ala.....	56,600		56,600
(103) Elimination of soil fertility investigations on irrigated soils at Tucson, Ariz.....	22,400	22,400	
(104) Elimination of research on factors affecting lime use on southern soils at Fayetteville, Ark.....	2,400	2,400	
(105) Elimination of research on runoff and erosion control at Cartersville, Ga.....	45,700		45,700
(106) Reduction of soil and water conservation research which would eliminate research related to wheat production at Akron, Colo.....	55,200		55,200
(107) Elimination of hydrologic studies including runoff, evapotranspiration, and water table management at Fort Lauderdale, Fla.....	44,500		44,500
(108) Discontinuation of research on erosion control practices at Urbana, Ill.....	15,900		15,900
(109) Elimination of soil management research under irrigation at North Platte, Neb.....	30,400		30,400
(110) Reduction in research on soil structural management under irrigation at New Brunswick, N.J.....	40,500		40,500



## Listing of proposed decreases for research, 1967 budget estimates—Continued

Item	Decreases recommended by Department in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amounts recommended for elimination in fiscal year 1967 budget	Amounts recommended for research to be continued
FARM RESEARCH—Continued			
SOIL AND WATER CONSERVATION RESEARCH—continued			
(111) Soil and water conservation practices on rolling land, Ithaca, N. Y. (Marcellus).....	\$27, 300	-----	\$27, 300
(112) Elimination of fundamental soil and water conservation research at Corvallis, Oreg. (reactions of nitrogen with soil constituents).....	29, 400	-----	29, 400
(113) Elimination of research on soil management under irrigation and salinity control at Ontario, Oreg.....	19, 600	-----	19, 600
(114) Elimination of research on sandy land soil management and soil compaction studies at Big Spring, Tex.....	56, 500	-----	56, 500
(115) Elimination of research on erosion control practices at Cherokee, Okla.....	33, 800	-----	33, 800
(116) Elimination of soil fertility investigations on field crops, Logan, Utah.....	20, 400	-----	20, 400
Total, soil and water conservation research.....	505, 600	\$29, 800	475, 800
AGRICULTURAL ENGINEERING RESEARCH			
(117) Terminating research on farmstead arrangements and methods for reducing labor requirements for farmstead operations conducted at Davis, Calif.....	25, 400	-----	25, 400
<i>Reduction of research on new and improved equipment and methods for implementing soil and water conservation practices in humid areas</i>			
(118) Auburn, Ala.....	15, 000	15, 000	-----
(119) Ames, Iowa.....	20, 200	-----	20, 200
(120) Reduction of research on development of new and improved equipment and methods for harvesting, handling, and conditioning forage at Beltsville, Md.....	35, 300	35, 300	-----
(121) Termination of cooperative agreement for research to reduce wind damage to farm buildings at Blacksburg, Va.....	2, 000	2, 000	-----
(122) Reduction of research at Beltsville, Md., to reduce wind damage to farm buildings.....	8, 000	8, 000	-----
(123) Elimination of research on new and improved equipment and methods for apiary operations at Madison, Wis.....	35, 300	-----	35, 300
Total, agricultural engineering research.....	141, 200	60, 300	80, 900
Total, farm research.....	3, 431, 200	764, 100	2, 667, 100

UTILIZATION RESEARCH AND DEVELOPMENT			
(124) Reduction in research on industrial use of wheat, Peoria, Ill.	303, 700	303, 700	303, 700
(125) Termination of research on bread flavor, Albany, Calif.	325, 700	325, 700	325, 700
Total, utilization research and development.	629, 400	629, 400	303, 700
NUTRITION AND CONSUMER USE RESEARCH (CONSUMER AND FOOD ECONOMICS RESEARCH)			
(126) Decrease in 1966 amount for the food consumption survey (contract funds)	250, 000	250, 000	250, 000
MARKETING RESEARCH			
REDUCTION IN NONRECURRING CONTRACT AND GRANT RESEARCH AS FOLLOWS			
<i>Hyattsville, Md.</i>			
(127) Seed testing project with Oregon State University	30, 000	30, 000	30, 000
(128) Mothproofing wool conducted in cooperation with industry	35, 000	35, 000	35, 000
(129) Research on insects of stored tobacco at Iowa State University	20, 000	20, 000	20, 000
(130) Clemson, S.C.—Termination of service contract at Auburn, Ala., for development of small-scale spinning tests.	20, 000	20, 000	20, 000
Total	105, 000	105, 000	70, 000
(131) Reduction in research at Washington, D.C., on vegetable oil storage	30, 500	30, 500	30, 500
(132) Reduction in research at Beltsville, Md., on quality maintenance of vegetable crops covering minor crops such as squash, eggplant, and peppers	17, 300	17, 300	17, 300
(133) Termination of research to develop methods of protecting stored tobacco from insects at Richmond, Va., including research under a cooperative agreement	86, 300	86, 300	86, 300
(134) Reduction of research on development of nontoxic, effective, long-lasting methods of mothproofing woolen fabrics and products at Savannah, Ga.	20, 000	20, 000	20, 000
Total, market quality research	259, 100	259, 100	117, 800
TRANSPORTATION AND FACILITIES RESEARCH			
(135) Elimination of research on tobacco handling at Raleigh, N.C., including a cooperative agreement	40, 300	40, 300	40, 300
Total, marketing research	299, 400	299, 400	117, 800
Total decrease for research	4, 610, 000	4, 610, 000	1, 435, 600
			3, 174, 400



SUMMARY OF DECREASES

	Decreases recommended by Department in fiscal year 1967 budget	Proposed recommendations by Senate committee	
		Amounts recommended for elimination in fiscal year 1967 budget	Amounts recommended for research to be continued
Farm research:			
Animal husbandry-----	\$323,300	\$169,500	\$153,800
Animal disease and parasite-----	201,000	72,200	128,800
Crops-----	1,693,400	284,900	1,408,500
Entomology-----	566,700	147,400	419,300
Soil and water conservation-----	505,600	29,800	475,800
Agriculture engineering-----	141,200	60,300	80,900
Subtotal-----	3,431,200	764,100	2,667,100
Utilization research and development-----	629,400	303,700	325,700
Nutrition and consumer use research-----	250,000	250,000	-----
Marketing research-----	299,400	117,800	181,600
Total decrease-----	4,610,000	1,435,800	3,174,400

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1966 appropriations.....	\$75, 547, 000
1967 budget estimate.....	69, 748, 000
House bill.....	76, 764, 000
Committee recommendation.....	81, 498, 200

Appropriations provided under this head are used to conduct regulatory activities, including plant disease and pest control, animal disease and pest control, and pesticides regulation.

An appropriation of \$81,498,200 is recommended to finance the federal cost of the several regulatory programs financed under this appropriation. The amount recommended is \$5,951,200 over the 1966 appropriations, an increase of \$11,750,200 over the budget estimate and \$4,734,200 over the House bill.

The Committee has concurred in the action of the House in denying the proposal in the budget to eliminate or to curtail certain cooperatively financed plant and animal disease and pest control eradication program. The budget estimate proposed a decrease of \$7,803,100 for the projects which are shown below:

[In thousands]

Product or activity	Proposed budget decrease and restored amounts
Elimination of control programs:	
Fire ant.....	- <sup>1</sup> \$3, 303. 0
Soybean cyst nematode.....	-523. 0
Sweet potato weevil.....	-296. 6
Phony peach and peach mosaic.....	-190. 6
Subtotal.....	-4, 313. 2
Reduction of control programs:	
Golden nematode.....	-320. 0
Barberry eradication.....	-371. 7
Gypsy moth.....	-261. 8
Witchweed.....	-350. 0
Brucellosis.....	-1, 702. 1
Scabies.....	-484. 3
Subtotal.....	-3, 489. 9
Total.....	-7, 803. 1

<sup>1</sup> Senate committee increased this by \$2,697,000, making a total of \$6 million for 1967.

The Committee action thus restores all of these projects to the 1966 level. Every one of these cooperative control projects involves a plant pest or an animal pest or a disease which has entered the United States from abroad. The Committee has included in the bill the budget estimate for plant and animal quarantine inspection at ports-of-entry. These services are utilized in an effort to detect all harmful plant pests or animal diseases and to preclude their entrance to the United States. In spite of this surveillance, these and other pests enter the United States from time to time, and the Committee believes that the efforts that are necessary to attempt to control or to eradicate some of these pests are a responsibility of the Federal Government in cooperation with the affected States and producers.

The Secretary of Agriculture has stated that the annual value of our crops, livestock, forests and grazing land is estimated at approximately \$50 billion and that current annual losses from pests and diseases,



most of which are of foreign origin, are estimated at \$9 billion. These losses are suffered not only by the producers, but also result in the higher production costs being passed along to the consuming public.

The Committee has included \$636,000 to accelerate the eradication of the burrowing nematode. This is an increase of \$152,500 over the House bill and is the amount requested in the budget estimate for 1967. Increased funds are needed to cope with the recent outbreak of the burrowing nematode, and during the current fiscal year emergency measures were conducted to survey the extent of infestations. The additional Federal funds are needed to conduct periodic inspections of nursery sites on a regular schedule basis to prevent further spread of the burrowing nematode. In addition to the Federal expenditures, the States of Florida and Texas are providing \$574,000 for control measures.

An appropriation of \$9,818,000 is recommended for plant quarantine inspection at ports of entry. This is an increase of \$113,000 over the House bill, and an increase of \$398,700 over fiscal 1966, and is the amount requested in the budget for fiscal 1967.

The Committee concurs in the action of the House in approving \$300,000, as requested in the budget, for overtime pay of plant quarantine inspection for Sunday work.

The Committee concurs in the action of the House in approving \$1,930,200 for strengthening animal inspection and quarantine activities. This is an increase of \$114,400 over the appropriation for fiscal 1966.

An increase in appropriation of \$1,217,100 is recommended for activities involving diagnosis, control, and eradication of certain miscellaneous diseases. This is an increase of \$206,700 over the House bill and is the amount requested in the budget estimate of 1967. The increase is for conducting a large-scale feed sampling survey urgently needed to determine the extent of salmonella contamination.

There is also included under this activity heading \$202,300 of additional funds for diagnosis, control and eradication of equine piroplasmiasis and infectious anemia (swamp fever) of horses. The House bill provided \$100,000 for both diseases and the Committee is advised that in order to undertake field activities on both diseases at a minimum level essential to effective control, \$100,000 is required for each disease.

In order to strengthen the administration of registration and enforcement activities under the Federal Insecticide, Fungicide, and Rodenticide Act, the Committee is recommending an appropriation of \$3,255,200, an increase of \$215,000 over the House Bill and an increase of \$634,100 over 1966. The amount recommended is the full budget estimate for 1967, and the Committee believes that it is important that adequate funds be provided since expenditures under this Act involve the only Federal statute having jurisdiction over the marketing of pesticides and such products should be properly labeled and registered prior to interstate shipment, in order to afford full protection to all segments of the American public. The additional funds will be used to expand the activities essential to conducting the review of labeling of pesticide products which are submitted for registration and re-registration and to maintain closer surveillance over the approximately 60,000 proprietary products presently on the market.

The Committee has included \$100,000 in the bill together with language for the funds to remain available until expended for the purpose of developing plans for the relocation of the animal quarantine station at Clifton, New Jersey. In approving these funds it is noted that the Act, authorizing the relocation of the Clifton, New Jersey, Animal Quarantine Station, provides that proceeds from the sale of the existing station be used to construct a new facility when a site is chosen. The Committee expects that the proceeds from the sale of the current facility will be sufficient to defray most of the cost of construction of the new quarantine station for which these planning funds are provided.

The Committee has recommended the inclusion of \$500,000 over the budget and the House bill for combating the outbreak of the pink bollworm and boll weevil in California. These funds are in addition to funds available from the Contingency Fund. The Committee is advised that there has been a buildup and spread of the pink bollworm during the last few years from the State of Arizona into adjacent areas of California and the Republic of Mexico. The spread of the boll weevil has complicated the problem of dealing with this very serious cotton pest. The additional \$500,000 recommended by the Committee is for the purpose of making certain that there is adequate funding for this season. The entire control program is estimated to cost \$1,500,000. For necessary control measures within the United States, it is expected that State and local sources will provide half of the cost of eradication measures and that Federal funds will be expended only where the State regulatory laws are adequate to enforce compliance with cultural and other practices required of growers in order to cope successfully with and control of the pink bollworm and the cotton boll weevil.

The Committee has received considerable testimony pointing out the inadequacy of administration of the Virus-Serum-Toxin Act in regard to vaccines and biologics used in poultry production. For example, the present vaccine used to attempt to control *Mycoplasma gallisepticum* (PPL0), a highly infectious disease of poultry, was found to be unsatisfactory. The contaminated vaccines were thus introduced in many instances into previously clean flocks, according to poultrymen in several States, and losses were reported to be into millions of dollars. The committee recommends that \$150,000 be provided to accelerate the eradication of this disease.

The Department has advised the Committee that present funds are inadequate to keep current with the testing and inspection of licensed biologics and that a minimum increase of \$500,000 is needed in 1967 for additional manpower supplies and materials to step up the testing and licensing program.

An increase of \$500,000 is recommended for administration of the Virus-Serum-Toxin Act for this purpose, and it is expected that the Department will give careful consideration to the administrative requirements in the formulation of its budget for 1968, together with any changes, if needed, in basic legislative authority, which are deemed essential to the licensing, testing, and inspection of biologics used in poultry and livestock production.

The imported fire ant was first introduced in this country in the vicinity of Mobile Bay, Alabama, more than thirty years ago. During the early years it built up populations and spread very slowly, but



beginning about 1950, the spread of the fire ant greatly accelerated and this rate has continued to the present time. The present control program was initiated in 1958 and has not been successful primarily due to the fact that, aside from difficulties with chemical compounds which were required to be discontinued, inadequate resources have been available to undertake a concerted program of eradication. The principal compound now used, called Mirex, does not have the persistence or staying power to remain effective to kill emergent generations of the fire ant; therefore, in most instances a second or follow-up treatment is required.

According to testimony presented to the Committee which appears beginning on page 1433, and according to maps shown on page 1869 and following pages of the hearings, it is the belief of entomologists that the probable northern limits of winter survival of the fire ant if left unchecked would be in an area reaching from southern Oregon on the West Coast to above Rhode Island on the East. This same map shows the present area of infestation and the probable area of infestation by 1970. Under the President's budget proposal, it would have been necessary to discontinue the program and also to discontinue the Federal quarantine of shipments of nursery stock. Thus, if the fire ant control program and the Federal quarantine are discontinued, the fire ant would probably reach the northern limits of winter survival within the next decade or so.

The Committee believes that it is as essential to eradicate the imported fire ant as any other pest where the techniques have been developed for eradication. Representatives of the Southern Plant Board presented a program of eradication to the Committee. The proposed program calls for a total appropriation of \$9,500,000, the first year of which \$6 million would be Federal. In the second year the total estimated amount would be \$12½ million of which \$8 million would be Federal. In the third year, the total amount would be \$11 million of which the Federal would be \$6½ million. After careful consideration of this testimony, as well as the comments of the Department which verify the feasibility of a concerted program the Committee recommends the initiation of an over-all eradication program on the imported fire ant. It appears that the potential success of the three-year program would be more economic both to Federal, State and local appropriations in the long-run, over the continuation of a sporadic control program to stamp out the fire ant whenever infestations become especially heavy in certain areas.

In fiscal 1966, the estimated expenditures under the current program amount to \$5,614,280 of which \$3,303,000 was the Federal portion. In fiscal 1966 the Federal share for control measures is estimated to be \$2,165,000 and the cooperator share, \$2,311,000. Continuation of the present program would result in an expenditure in ten years of between \$55-\$60 million and may result in the further expansion of infested areas. The Committee believes that the same expenditure of Federal, State and local funds in a shorter period, with a concerted program, should result in a complete eradication of the fire ant.

The Committee asked the Department to comment on this plan of eradication and the response of the Department is printed below.

The Southern Plant Board developed a three-year plan for dealing with the imported fire ant problem in the nine Southern States where the pest occurs. It is proposed that during this period the infestation be eradicated in the States of North Carolina, South Carolina, Florida, Arkansas, most of Texas and Georgia, and pushed back to the periphery of the area that was infested in Alabama, Mississippi, and Louisiana in 1957. The proposal offers a feasible approach to eradication and containment of this pest providing it can proceed as the plan has been conceived. Feasibility is predicated on availability of adequate State and Federal financing at the time that it is needed and at the place where it is needed. The Southern Plant Board estimated the financial needs for the control plan alone as \$9.5 million the first year, \$12.5 million the second year, and \$11 million the third year. The States are expected to participate in the financing.

Feasibility is predicated, too, on a new system of electronic aircraft guidance and tests now underway have demonstrated this as a precise method of application. The Board anticipated that eradication could be accomplished with two properly timed applications of mirex bait—a total of 2½ pounds to the acre. For some areas this will be sufficient; however, in others three and probably four applications may be required. There must be allowance for this in the budget consideration.

The Plant Pest Control Division, during the past two years, has established several very sizable test plots using the mirex bait at different dosage rates and application at varied time intervals. We expect to obtain from these test plots more exacting information to provide positive guidance for the conduct of an eradication program.

Based upon the eradication program proposals of the Southern Plant Board and the feasibility of that program as stated by the Department, the Committee is recommending an appropriation of \$6 million for fiscal 1967 to finance the first year cost of an eradication program. It is the intent of the Committee in making the first appropriation that the intensive program envisioned thereunder will be continued as necessary beyond the three-year period until complete eradication is achieved.

An appropriation of \$6 million is recommended for this purpose, an increase of \$6 million over the budget estimate, and an increase of \$2,697,000 over the amount carried in the House bill for the continuation of the existing cooperative control program.

The Committee recommends an appropriation of \$3,848,000 for the screw-worm eradication program. This is the amount of the budget estimate and the amount carried in the House bill. The Committee expects that this amount will provide for all costs in the complete area of screw-worm eradication activity and finance all Federal costs for the full fiscal year of 1967.



## SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1966 appropriations.....	\$3, 000, 000
1967 budget estimate.....	(1)
House bill.....	3, 000, 000
Committee recommendation.....	6, 000, 000

<sup>1</sup> Authorization procedure to use excess currencies in the amount of \$23,788,000.

The committee recommends an appropriation of \$6,000,000 for the conduct of overseas research financed under the special foreign currency appropriation. The recommended appropriation is \$3,000,000 over the amount carried in the House bill and an increase of \$3,000,000 over the amount appropriated for 1966.

The 1967 budget estimate proposed a new authorization procedure for the use of foreign currencies, which are generated primarily from concessional sales of commodities authorized under Public Law 480. The budget proposal would have authorized the use of foreign currencies in the amount of \$23,788,000. The committee concurs in the action of the House in denying the use of authorization authority to make expenditures directly from the foreign currencies held by the Treasury. The policy of financing overseas research by appropriation is well established. The committee believes that the authorized uses for excess currencies should be requested by the regular appropriation process, and the increased funds provided herein will enable high priority agricultural research to be undertaken or to be continued.

## COOPERATIVE STATE RESEARCH SERVICE

## PAYMENTS AND EXPENSES

1966 appropriations.....	\$54, 827, 000
1967 budget estimate.....	47, 740, 000
House bill.....	55, 227, 000
Committee recommendation.....	60, 740, 000

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961 and Supplement 1, dated August 30, 1961 under Reorganization Plan No. 2 of 1953. The primary function of the Service is to administer acts of Congress that authorize Federal appropriations for agricultural research carried on by the State agricultural experiment stations of the 50 States and Puerto Rico. The Acts under which payments to States may be made include:

- (1) Agricultural Experiment Stations Act of August 11, 1955 (Hatch Act of 1887, as amended);
- (2) The Cooperative Forestry Research Act of October 10, 1962;
- (3) The Act of September 6, 1958, authorizing grants for support of scientific research; and
- (4) Research Facilities Act of July 22, 1963, (7 U.S.C. 390-390k).

The administration of payments and grants involves the review and approval in advance of each individual research proposal submitted by a State agricultural experiment station or other State institution to be financed in whole or in part from Federal-grant funds, the disbursement of the funds, and the continuous review and

evaluation of research programs and expenditures thereunder. The Service also encourages and assists in the establishment and maintenance of cooperation within and between the States, and participates in the planning and coordination of research programs between the States and the U.S. Department of Agriculture.

The Committee recommends an appropriation of \$60,740,000 to finance the various programs administered by the Cooperative State Research Service, including the cost of administration. This is an increase of \$5,913,000 over the 1966 appropriation, \$13,000,000 over the budget estimate and \$5,513,000 over the House bill.

The budget estimate for 1967 proposed a reduction of \$8,500,000 for payments to the State Experiment Stations under the Hatch Act, as amended. The Committee was unable to find a single iota of justification for this proposal in the budget, particularly in view of the urgent need for acceleration of the research program rather than for any diminution of it. Accordingly, the Committee recommends the restoration of \$8,500,000, as recommended by the House bill and has included an additional amount of \$5,000,000. The total amount recommended for payments under the Hatch Act formula is \$53,113,000, an increase of \$13,500,000 over the budget estimate and \$5,000,000 over the House bill. It is expected that about \$3 million of the increased appropriation will be utilized by the States for making pay adjustments, and the 3% provision for administrative provisions will thus be inapplicable to that amount of increase. The other \$2 million will go to strengthen the regular program in the several States.

The budget also proposed an appropriation of \$4,910,000 for contracts and grants for scientific research, an increase of \$2,910,000 over the appropriation for 1966. The Committee has concurred in the action of the House in denying this increase for research contracts and grants.

The Committee is concerned about the apparent tendency of the Department to move in the direction of increasing research activity by means of contracts and grants administered by this agency rather than to work cooperatively with the Agricultural Experiment Stations and to develop with the directors of those Stations an overall research program and related procedures for accelerating research within the framework of the Hatch Act provisions. The basic responsibility of the agency is to administer the three principal grant programs rather than to establish a separate program of research by contracts and grants.

The Committee recommends an appropriation of \$3,000,000 for forestry grants for cooperative forestry research under the Act approved October 10, 1962. This is an increase of \$500,000 over the House bill and the budget estimate of \$2,500,000, and is an increase of \$500,000 over the appropriation for fiscal 1966.

The Committee has recommended an appropriation of \$2,000,000 for grants for facilities under the Act approved July 22, 1963. This is an increase of \$2,000,000 over the budget estimate and is the same as the amount in the House bill and the amount appropriated for 1966. The Committee recommends an appropriation of \$317,000 for the expenses of the Cooperative State Research Service. This is an increase of \$13,000 over the House bill for Pay Act costs and is \$90,000 under the budget estimate.



## EXTENSION SERVICE

## PAYMENTS TO STATES AND PUERTO RICO

1966 appropriations-----	\$75, 600, 000
1967 budget estimate-----	75, 917, 500
House bill-----	75, 917, 500
Committee recommendation-----	78, 917, 500

The cooperative agricultural extension program was established by the Smith-Lever Act of May 8, 1914, as amended. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

The basic job of the Cooperative Extension Service is to help people identify and solve their farm, home, and community problems through use of research findings of the Department of Agriculture and the State Land-Grant Colleges, and programs administered by the Department of Agriculture.

State and county extension work is financed from State, county and Federal sources. The funds provided are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists and others who conduct the joint educational programs adapted to local problems and conditions. The county extension service serves as the focal point within the counties in leadership and coordination of the educational aspects of all Federal programs.

An appropriation of \$78,917,500 is recommended by the Committee for payments and expenses for cooperative extension work. The amount recommended is an increase of \$3,000,000 over the House bill, an increase of \$3,000,000 over the budget estimate, and is \$3,317,500 over the appropriation for 1966. The Committee concurs in the action of the House in denying the budgetary request to reduce the amount of funds distributed to the States under Section 3(c) of the Smith-Lever Act formula by \$9,600,000, and to redirect it to non-formula distribution.

The action proposed in the budget represented a significant departure from the traditional operation of the cooperative extension program. The Committee has previously approved a limited allocation of funds outside the formula under Section 3(d) in the amounts of \$2,100,000 for pesticides work and \$700,000 for area agents, and recommends the continuation of these non-formula funds.

The Committee was advised by the representatives of the American Association of Land Grant Colleges and Institutions that much of the objective proposed in the budget of accelerated extension assistance to low income families and for resource conservation and development is already under way and should be accelerated, but as a part of the regular cooperative extension program. The Committee is in general accord with this view.

The Committee expects the Department and other budgetary officials to take note of the fact that the Congress does not approve a disruptive change of a policy nature requested in an annual budget estimate. Officials of the agency and representatives of the land-grant institutions have generally followed suggestions of the Congress to direct formula funds to a specific objective and the \$3 million in-

crease is for the general objective of adjusting pay costs to bring them to a basis comparable with pay adjustments approved by the Congress for Federal employees.

The Committee believes that if the Executive Branch of the Government contemplates a basic change in the extension program, such proposals should be submitted to Congress and be considered and acted upon by the Congress in an amendment to the Smith-Lever Act.

For retirement and employees' compensation costs for county extension agents, the Committee recommends an appropriation of \$8,139,500, an increase of \$282,500 over 1966. This is the amount requested in the budget estimate and carried in the House bill.

An appropriation of \$3,113,000 is recommended for penalty mail costs, as authorized by law. This is the same amount as appropriated in 1966 and the amount in the budget estimate and the House bill for 1967.

The Federal Extension Service provides leadership and coordination service and administers the Federal laws authorizing extension work.

An appropriation of \$2,654,000 is recommended for the Federal Extension Service. This is the amount provided by the House bill and is \$89,000 over the 1966 level excluding the transfer made in 1966 for pay costs. The increase is for Pay Act costs pursuant to Public Law 89-301. The funds provided for pay act adjustments will not be subject to the 4% administrative provision.

#### FARMER COOPERATIVE SERVICE

1966 appropriations.....	\$1, 167, 000
1967 budget estimate.....	1, 175, 000
House bill.....	1, 175, 000
Committee recommendation.....	1, 175, 000

The Farmer Cooperative Service was established after approval of the Farm Credit Act of 1953.

This agency is assigned the functions of programs authorized by the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457) pertaining to cooperative marketing. It is also assigned the responsibility for research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946.

The agency conducts research, advisory, and educational work with agricultural cooperatives to help farmers improve the operations of their businesses. Problems studied include organization, financing, management, merchandising, costs, efficiency, and membership. In performing this work the agency cooperates with the Extension Service; Land-Grant Universities; Banks for Cooperatives; State Departments of Agriculture; and other federal, state and private agencies to improve understanding and application of sound cooperative principles and practices.

The appropriation recommended for 1967 is \$1,175,000, an increase of \$8,000 over 1966 for additional pay costs pursuant to Public Law 89-301. The amount recommended is the same as the budget estimate and the same amount as carried in the House bill.



## SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the Act of April 27, 1935. This agency administers programs of technical assistance to Soil Conservation Districts and other cooperators, to watershed groups and to Federal and State agencies having responsibility in providing physical adjustments in water and land use for the purpose of conserving soil and water resources. It also provides technical services for general agricultural improvements and for reducing damage resulting from flood and sedimentation.

## CONSERVATION OPERATIONS

1966 appropriations.....	\$108, 802, 000
1967 budget estimate.....	109, 020, 000
House bill.....	109, 235, 000
Committee recommendation.....	109, 235, 000

Under the appropriation "Conservation Operations" the Soil Conservation Service provides technical assistance to farmers and ranchers. It also furnishes technical assistance to cooperators in Soil and Water Conservation Districts and to other land owners in developing plans and applying conservation treatments. It makes soil surveys to determine land capabilities and conservation treatment needs and publishes soil survey reports and maps. In the Western States it conducts snow surveys to develop stream-flow forecasts as an aid to efficient seasonal use of water for irrigation and other purposes. The operation of plant material centers to test promising new species of plant materials is also financed under this appropriation heading.

The Committee recommends an appropriation of \$109,235,000 to carry out the foregoing activities financed under this heading. This is an increase of \$433,000 over 1966 and is the same amount as the House bill and \$215,000 over the budget estimate.

The increases over 1966 include \$807,000 for mandatory Pay Act costs and \$515,000 to provide staff assistance to 18 Soil Conservation Districts which are expected to be organized during fiscal 1967.

In approving this increase for new districts, the Committee calls attention of the agency to the fact that it believes that more consideration should be given to the consolidation of existing Soil Conservation Districts to meet the future requirements for this phase of the program. There are already 2967 work unit offices for the Soil Conservation Service and there are only 3107 counties in the United States. A large number of these counties are nonagricultural in nature. Thus, it is evident that there is already a work unit office for each agricultural county in the United States.

The Committee recommendations also include an increase of \$750,000 for technical assistance in the Appalachian region. This is the amount approved by the House and is \$667,000 under the budget estimate. The Appalachian region also receives assistance under the regular conservation program. An increase of \$51,000 over 1966 is approved, as requested in the budget, and carried in the House bill, for the operation of the new plant materials center in the Appalachian region.

The budget estimate proposed a reduction of \$3,600,000 for soil surveys and the House restored \$2,000,000 of this reduction. The Committee concurs in the House action and the amount provided for the continuation of soil survey is \$17,930,000, which represents an increase of \$2,000,000 over the budget estimate, and is \$1,600,000 under the amount provided for fiscal 1966.

## WATERSHED PLANNING

1966 appropriations-----	\$5, 853, 000
1967 budget estimate-----	6, 397, 000
House bill-----	6, 142, 000
Committee recommendation-----	6, 142, 000

Funds appropriated under this heading are used to conduct investigations and surveys of proposed watershed projects in response to requests made by sponsoring local organizations and to assist in the development of watershed work plans.

Under the heading "Watershed Planning" an appropriation of \$6,142,000 is recommended. This is the amount in the House bill and is \$255,000 under the budget estimate, and is an increase of \$289,000 over the appropriations for 1966. It is anticipated that at least \$255,000 of unused funds available in 1966 will be carried forward for use in 1967. The increases over 1966 are comprised of \$29,000 for pay act costs pursuant to Public Law 89-301, and \$260,000 for accelerating the development of watershed work plans in the Appalachian Region. This increase for the Appalachian Region is \$255,000 under the budget estimate, but is in addition the regular planning assistance also available to the region.

In addition to the funds appropriated in this bill, it is estimated that \$255,000 of the amount appropriated for 1966 will be carried forward for use in 1967. Thus, there is approximately \$6,397,000 available for watershed planning as contemplated in the budget estimate. In addition to the funds appropriated in this bill for watershed planning, the several States and local governments provide an additional \$3 million for watershed planning activities.

As previously noted in Committee reports the planning of new watershed projects has far exceeded the advance engineering design and installation of works of improvement under the watershed protection program. The Committee has, therefore, limited the number of new planning starts to 60 instead of 40 as proposed in the budget and 100 approved by the House. This will provide for 50 projects outside of the 10 scheduled for the special Appalachian regional program.

## WATERSHED PROTECTION

1966 appropriations-----	\$66, 331, 000
1967 budget estimate-----	66, 559, 000
House bill-----	67, 020, 000
Committee recommendation-----	70, 000, 000

Under this appropriation is financed the administration of the watershed protection program including the installation of planned works of improvement in approved watershed projects to reduce erosion, flood-water, and sediment damage, and to further the development of conservation measures to utilize and dispose of water, including recreational facilities. Funds under this appropriation are also used to finance cooperative river basin investigations and surveys for the development of coordinated water resource programs and to make loans to local organizations to help finance the local cost share of carrying out planned watershed works of development.

For this appropriation item the Committee recommends \$70,-000,000. This is an increase of \$3,669,000 over the appropriation for 1966, an increase of \$3,441,000 over the budget estimate for 1967, and an increase of \$2,980,000 over the amount recommended in the House bill. The changes from 1966 include \$225,000 for mandatory Pay



Act costs pursuant to Public Law 89-301, and an increase of \$1,980,000 over 1966 to accelerate river basin surveys and investigations. This provides the full amount of the budget estimate for basin surveys and is an increase of \$980,000 over the amount carried in the House bill.

The budget estimate provided for 35 new construction starts of which 7 were allocated to the Appalachian region. In processing the bill in the House, the new construction starts were restored to a level of 80 for fiscal 1967, and the House denied a reduction in the budget of \$1,444,300 for installation of works of improvements. The Committee concurs in the House action and has included an additional \$2 million over the House to accelerate installing works of improvement on Public Law 566 watersheds.

#### FLOOD PREVENTION

1966 appropriations.....	\$25, 571, 000
1967 budget estimate.....	25, 654, 000
House bill.....	25, 654, 000
Committee recommendation.....	25, 654, 000

Under the heading of "Flood Prevention" is financed the administration of the flood prevention and development program conducted in the 11 major watersheds authorized by the Flood Control Act of 1944. An appropriation of \$25,654,000 is recommended for fiscal 1967. This is an increase of \$83,000 over 1966 to provide the Pay Act costs, pursuant to Public Law 89-301. The amount recommended is the same as the budget estimate and the amount provided in the House bill.

#### GREAT PLAINS CONSERVATION PROGRAM

1966 appropriations.....	\$16, 082, 000
1967 budget estimate.....	16, 112, 000
House bill.....	16, 112, 000
Committee recommendation.....	18, 500, 000

Under this heading is financed the cost-sharing conservation program authorized by Public Law 1021, 84th Congress, under which farmers and ranchers in designated counties of the Great Plains States enter into long-term contracts to make needed land use adjustments and to install essential soil and water conservation measures specified in the basic conservation plans developed by technicians of the Soil Conservation Service.

Progress under the Great Plains Conservation Program has been limited by the inability to service applications for long-term conservation contracts.

According to the latest information, it is estimated that there will be a backlog of 5,000 unserved applications on hand June 30, 1967.

In order to reduce this backlog the Committee recommends an appropriation of \$18,500,000 for 1967. This is an increase of \$2,418,000 over 1966, and is \$2,388,000 over the estimate and the House bill.

#### RESOURCE CONSERVATION AND DEVELOPMENT

1966 appropriations.....	\$4, 347, 000
1967 budget estimate.....	4, 574, 000
House bill.....	4, 347, 000
Committee recommendation.....	4, 574, 000

Under this appropriation is financed the resource conservation and development technical program authorized under Section 102, Title

I, of the Food and Agriculture Act of 1962. Funds appropriated are used to develop investigations and surveys in designated areas in cooperation with local sponsors to develop an over-all program and plans of land conservation and utilization. Funds are also used for loans for resource development and improvements on private lands in approved projects.

An appropriation of \$4,574,000 is recommended for 1967. This is the amount requested in the budget estimate and an increase of \$227,000 over the House bill and the appropriation for 1966. The additional funds will permit the orderly progress of operations and planning of all twenty pilot projects which are expected to be designated for planning and operations by the end of fiscal 1966, and for planning of an estimated five additional projects during fiscal 1967.

ECONOMIC RESEARCH SERVICE

1966 appropriations.....	\$11, 782, 000
1967 budget estimate.....	12, 547, 000
House bill.....	12, 032, 000
Committee recommendation.....	12, 182, 000

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The committee recommends an appropriation of \$12,182,000. This is an increase of \$400,000 over the 1966 appropriation, and is \$150,000 over the amount in the House bill and is \$365,000 under the budget estimate.

The Committee recommendations include an increase for mandatory Pay Act costs of \$96,000, and the additional \$154,000, as requested in the budget estimate for acceleration of economic studies of water management and water use problems affecting agriculture.

An appropriation of \$250,000 is recommended for economic research in the Appalachian region. This is an increase of \$50,000 over the House bill and equivalent to the funds available last year from the appropriation provided in the Second Supplemental Appropriation Act, 1965.

The Committee recommends an increase of \$100,000 to accelerate general investigations of rural conditions and development opportunities. This is \$100,000 over the House bill and \$176,000 under the budget estimate.

STATISTICAL REPORTING SERVICE

1966 appropriations.....	\$14, 067, 000
1967 budget estimate.....	13, 434, 000
House bill.....	13, 272, 000
Committee recommendation.....	13, 575, 000

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service was created to give coordinated leadership to the statistical reporting



research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

An appropriation of \$13,575,000 is recommended for 1967. This is \$492,000 under the appropriation for 1966 and is \$303,000 over the amount carried in the House bill, and is \$141,000 over the budget estimate. The decrease under 1966 arises from a nonrecurring expenditure for purchase of a large-scale computer machine and reduction in computer conversion costs totaling \$1,197,000 and management improvement savings of \$150,000.

The Committee concurs in the action of the House in providing an increase of \$116,000 over 1966 for the expansion of long-range programs for improving crop and livestock estimates, making a total of \$4,137,000 for this program which was initiated four years ago, and an increase of \$86,000 for mandatory Pay Act costs pursuant to Public Law 89-301.

The increase over 1966 for program activities includes an increase of \$514,000 to improve the data collection system for farm employment and for farm wage rates. This makes a total of \$814,300 for this purpose, as requested in the budget, and is an increase of \$162,000 over the amount carried in the House bill.

In addition to the foregoing increases requested in the budget estimate, the Committee has included \$10,000 to provide the full amount of funds necessary to develop and issue annual estimates of mushroom production.

An increase of \$40,000 is recommended to establish a Statistical Reporting Service for Nevada. The total cost of the Service is estimated to be \$70,000 annually of which \$15,000 is to be derived by transfer of funds from the Utah office which now renders some crop reporting service to Nevada, and by \$15,000 to be contributed by the State of Nevada.

An increase of \$35,000 is recommended to enable the agency to provide better statistics on prices paid by farmers, farm employment and wage rates in the program for Hawaii, and to place the Statistical Reporting Services for that State on a comparable basis with other States.

An increase of \$56,000 is included by the Committee to accelerate the estimates program on cut flowers. The Committee is advised that this amount is the minimum required to increase the coverage from 11 States to 26 States and add potted chrysanthemums and foliage plants to the items to be surveyed.

The attention of the Committee has also been called to the need for improvement in grain stock reports to differentiate between the various classes of wheat. The Committee requests that immediate consideration be given to improvement of grain stock reports to include a differentiation between the various classes of wheat.

#### CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service was established February 8, 1965 pursuant to Reorganization Plan No. 2 of 1953, under terms of the Reorganization Act of 1949, as amended (5 U.S.C. 1332). The

Service provides consumer protection through mandatory meat and poultry inspection for wholesomeness and aids in improving the diet of consumers through the School Lunch, Special Milk, and Food Stamp programs and through direct distribution of commodities acquired under Section 32 and CCC. Through its marketing and regulatory programs it aids in advancing orderly and efficient marketing and effective distribution of products from the Nation's farms.

CONSUMER PROTECTIVE, MARKETING AND REGULATORY PROGRAMS

1966 appropriations.....	\$77, 654, 000
1967 budget estimate.....	83, 661, 000
House bill.....	82, 757, 000
Committee recommendation.....	83, 581, 000

Under this appropriation heading, funds are appropriated to administer programs authorized to provide service and regulatory functions concerned with the orderly marketing of agricultural commodities, including:

(a) Market news service to provide timely and reliable market reports on all major agricultural commodities to help farmers determine when, where, and at what price to sell their products;

(b) Meat inspection to assure that all meat and meat products moving in interstate and foreign commerce are wholesome;

(c) Poultry inspection to assure that all poultry meat and poultry meat products moving in interstate and foreign commerce are wholesome;

(d) Other inspection, grading, classing, and standardization services to develop standards of quality and condition for agricultural commodities and to use them in providing an impartial inspection, classing, and grading service; and

(e) Regulatory activities covering administration of laws aimed at protecting farmers and others from financial loss resulting from deceptive, careless, and fraudulent marketing practices, and providing assistance in obtaining and maintaining equitable transportation rates and services on farm supplies and products.

The Committee recommends an appropriation of \$83,581,000 for fiscal 1967 to finance activities administered under this heading. This is an increase of \$5,927,000 over the appropriation for fiscal 1966, and is \$824,000 over the House bill. This is exclusive of funds for Administration of the Packers and Stockyards Act carried under a separate appropriation item.

An appropriation of \$41,939,000 is recommended for administration of meat inspection. This is the amount of the budget estimate, an increase of \$3,347,000 over 1966 and \$347,000 over the amount carried in the House bill. The need for increased appropriations arises from the continued dispersion of packing plants away from major cities, together with the increase in numbers of packing and further processing plants under inspection.

For the administration of the Poultry Products Inspection Act, \$19,330,800 is recommended. This is \$1,344,000 over 1966, the amount of the estimates and \$344,000 over the House bill.

The Committee had received a request to amend the bill to require that no activities in connection with the administration of the Poultry Products Inspection Act of 1957 could be merged with similar type



activities in connection with the administration of the Meat Inspection Act.

The Committee has carefully considered this proposal, as well as a letter, received from the Secretary of Agriculture under date of May 18, 1966. The Secretary describes the organizational changes that he has approved since the transfer of meat inspection to the Consumer and Marketing Service and states that these changes were designed solely to improve common service activities of both inspection programs. The letter from the Secretary further asserts that day-to-day inspection functions of mandatory poultry inspection would not be changed by the realignment of common service activities announced last December 7.

The Committee expects the Secretary and the Department to abide by the statements contained in the letter and expects the Department to maintain independent supervisory inspection standards where required and separate working level inspection standards and services for these two important industries.

The Committee has included \$51,000, as requested in the budget but denied by the House, for U.S. participation in the development of international standards for food and agricultural commodities which describe acceptable levels of sanitation, quality, and other factors important to international trade. The Committee believes that in view of the present level of agricultural exports and the great contribution that such exports make to our unfavorable balance of payments situation, that every effort should be made to develop international standards which would enable U.S. Exports to achieve an even greater share in the export market.

The Committee recommends \$1,405,200 for administration of the U.S. Warehouse Act. This is an increase of \$82,000 over 1966 as requested in the budget but denied by the House. The Committee believes that the action taken a year ago to consolidate warehouse examinations both of commodities owned by the Commodity Credit Corporation, as well as the examination of warehouses licensed under the U.S. Warehouse Act, should result in sounder administration. The importance of U.S. Warehouse certificates as instruments of trade and as collateral for loans requires that the administration of the U.S. Warehouse Act be adequately financed and that inspections be on the same cycle as for government owned commodities.

The Committee concurs in the action of the House to approve an appropriation of \$613,000, as requested in the budget estimate for micronaire readings for cotton classing.

#### PAYMENTS TO STATES AND POSSESSIONS

1966 appropriations.....	\$1, 750, 000
1967 budget estimate.....	1, 750, 000
House bill.....	1, 750, 000
Committee recommendation.....	1, 750, 000

The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies. These payments to States for this purpose were authorized under section 204(b) of the Agricultural Marketing Act of 1946.

An appropriation of \$1,750,000 is recommended for 1967. This is the amount requested in the budget estimate, and the amount provided in the House bill, and the amount appropriated for fiscal 1966.

SPECIAL MILK PROGRAM

1966 appropriations.....	\$103, 000, 000
1967 budget estimate.....	21, 000, 000
House bill.....	<sup>1</sup> 103, 000, 000
Committee recommendation.....	105, 000, 000

<sup>1</sup> Of this amount \$53,000,000 would be derived from Sec. 32 funds.

The Special Milk Program is aimed primarily at increasing the consumption of fluid milk by children. Through fiscal year 1966, all nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program. From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from Commodity Credit Corporation funds. The Agricultural Act of 1961 (P.L. 87-128), approved August 8, 1961, changed the financing to a direct appropriation beginning July 1, 1962 and extended the authorization through June 30, 1967.

The Committee recommends a direct appropriation of \$105,000,000 to finance the expenses of the Special Milk Program during fiscal 1967.

This is an increase of \$2 million over the appropriation for 1966. Public Law 88-573, approved September 2, 1964, provided that the financing of the expenses of the Special Milk Program shall be made in accordance with the basic legislation which authorized regular appropriations rather than the use of funds available under permanent authorization.

The use of funds available under Section 32 for these or other regular programs constitutes a deviation from the purpose of Section 32, as authorized under the Act of August 24, 1935, and amendments thereto.

The drastic reduction proposed in the budget estimate for 1967 would have reduced very greatly the benefits of the program and is inconsistent with the purpose of the authorization act. It would impose upon State and local administrative officials the onerous task of determining which children would be eligible through the arbitrary mechanism of a vague "means" test.

It is obvious that this budgetary proposal is not administratively feasible nor is it in accord with the intent of Congress, as expressed in the authorization act or in legislation understood to be currently pending to extend the authorization for this program.

The Committee, therefore, recommends that \$105 million be appropriated for fiscal 1967. This is \$2 million over the funds available in the House bill.

SCHOOL LUNCH PROGRAM

1966 appropriations.....	\$157, 000, 000
1967 budget estimate.....	138, 000, 000
House bill.....	157, 000, 000
Committee recommendation.....	167, 000, 000

The purpose of the Federal appropriation for the National School Lunch Act, as amended, is to provide financial assistance to the States to maintain, operate, and expand the School Lunch programs. This purpose is in accordance with the declared policy of the Congress and is deemed to be a measure of national security in order to safeguard the health and well-being of the Nation's children and to encourage them



to develop habits of consuming nutritious foods. The funds appropriated under this heading are available for the establishment, maintenance, operation and expansion of School Lunch programs in non-profit schools. Under the School Lunch Program, funds are apportioned to the States in accordance with Section 4 of the National School Lunch Act as amended.

According to the latest information furnished to the Committee for fiscal 1965, an average of 65,240 schools participated in the program with an average participation of over 15 million children, and with a peak participation of over 17 million children during certain periods of the school year.

A direct appropriation of \$167,000,000 is recommended for 1967. This is in addition to the transfer of \$45 million from Section 32 permanent authorization for the purchase of food commodities pursuant to Section 6 of the School Lunch Act, as amended, thus making available a total of \$212,000,000, exclusive of donations from Sections 32 and 416 which amounted to an estimated \$125,000,000 in 1966 and is projected at approximately the same amount for fiscal 1967.

It is obvious that the budget request calling for a net reduction of the Federal payments to the School Lunch Program is in contradiction with the growing need and demand for assistance to school children, including assistance to needy children as authorized under Section 11 of the amended authorization act.

The expenditures for the School Lunch Program constitute a useful but minimal outlet for agricultural commodities. The principal objective served by the programs is the development of sound nutritional eating habits in our school children who within a few years will constitute the adult population of tomorrow.

The budget estimates would have ignored the needs of our school children while at the same time they propose the expansion of aid and assistance in the development of school lunch programs in other lands. The Committee is not opposed to school lunch programs in other areas, but insists that such programs not be developed at the expense of or to the detriment of American school children.

#### FOOD STAMP PROGRAM

1966 appropriations.....	<sup>1</sup> \$79,992,000
1967 budget estimate.....	<sup>2</sup> (150,000,000)
House bill.....	<sup>2</sup> (150,000,000)
Committee recommendation.....	<sup>3</sup> 100,000,000

<sup>1</sup> In addition a reappropriation of \$20,000,000.

<sup>2</sup> Estimate and House bill recommend transfer of funds from Section 32 Permanent Authorization.

<sup>3</sup> In addition \$25,000,000 appropriated under this head for FY 66 shall be reappropriated and merged with this appropriation.

The Food Stamp Program was authorized by Public Law 88-25, approved August 31, 1964. One objective of the Food Stamp Program was to achieve a greater use of then surplus foods, many items of which are no longer in great surplus.

The principal objective, however, was to stimulate the use of more nutritious food for low-income families. This is primarily a welfare program since eligibility for participation requires welfare certification. As stated in the agency justifications the population groups which the Food Stamp Program is designed to benefit are:

(a) Those families who are receiving some type of welfare assistance—primarily, the unemployables, i.e., the aged, the blind, the disabled, mothers with dependent children.

(b) Other families with incomes as low or lower than that of families receiving welfare assistance but who, for a variety of reasons, are not eligible for welfare assistance. This may include those living on small pensions, the unemployed, the under-employed, and those whose training limits them to unskilled low-paying employment.

It is evident, therefore, that the use of funds from Section 32 is an abuse of the basic objectives of that Act. Section 16(a) of the authorization act did not contemplate financing by such means but instead authorized the use of regular appropriation from general revenue funds.

The Committee has therefore recommended that the expenses of the program be financed by direct appropriation. An appropriation of \$100,000,000, together with a reappropriation of \$25,000,000 of available funds from fiscal 1966 is recommended. The total amount available is \$25,000,000 under the estimate and the House bill, and is an increase of \$25,000,000 over 1966. The Committee believes that this amount should be adequate in view of generally improved economic conditions.

The Committee has also recommended an amendment to the bill to preclude future misuse of Section 32 funds in financing of this welfare program. The limitation language follows:

: *Provided*, That no funds available in this act shall be used to plan or formulate a food stamp program for fiscal 1968 to be financed in whole or in part from funds available under Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) //

#### FOREIGN AGRICULTURAL SERVICE

1966 appropriations.....	\$20, 752, 000
1967 budget estimate.....	21, 379, 000
House bill.....	21, 088, 000
Committee recommendation.....	21, 349, 000

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program; general sales management for Government-owned surplus commodities; ocean transportation functions related to the export of commodities under U.S. programs; and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to title III of Public Law 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products.

It maintains a worldwide agricultural intelligence and reporting service to assist U.S. agricultural industry in its export operations. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies.

It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to



secure international trade conditions that are favorable toward our products.

An appropriation of \$21,349,000 is recommended for 1967. This is an increase of \$597,000 over 1966, an increase of \$261,000 over the House bill and is \$30,000 under the budget estimate. The increases over 1966 include \$66,000 for mandatory Pay Act costs, and \$28,000 for more effective compliance in handling of funds used for market development programs, and \$22,000 for international grade activities.

The Committee has also recommended an increase of \$409,000 to strengthen the agricultural attache positions in some of the larger and more important export markets for U.S. commodities. Funds under this item will also be used to strengthen the retraining and reorientation of U.S. attaches between overseas post assignments. An increase of \$72,000, denied by the House, to strengthen supervision of market development projects is also recommended.

In addition to the funds carried by direct appropriation, \$3,117,000 is made available from Section 32.

#### COMMODITY EXCHANGE AUTHORITY

1966 appropriations.....	\$1, 197, 000
1967 budget estimate.....	1, 398, 000
House bill.....	1, 398, 000
Committee recommendation.....	1, 398, 000

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives of the act are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust-fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

An appropriation of \$1,398,000 is recommended for the operation of this agency for fiscal 1967. This is the amount of the budget estimate, the amount of the House bill and an increase of \$201,000 over the appropriations for 1966. The increase over the 1966 appropriations is comprised of \$11,000 for Pay Act adjustments and \$190,000 for accelerated supervision of futures trading and investigation of trade practices.

#### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133z).

#### EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

1966 appropriations.....	\$126, 278, 500
1967 budget estimate.....	135, 891, 000
House bill.....	128, 558, 000
Committee recommendation.....	130, 424, 500

Under this appropriation item funds are made available for the administrative expenses of a number of farm programs administered by the Agricultural Stabilization and Conservation Service. Several programs administered by this agency include production adjustment programs dealing with the various commodities and the special acreage production programs; administration of the Sugar Act Program; administration of the Agricultural Conservation Program; administration of the Emergency Conservation Measures; the Cropland Adjustment and Conversion Programs; the Conservation Reserve Program payments and the Appalachian Region Conservation Program; the administration of price support and related programs and special activities and export programs, as authorized pursuant to the foreign assistance programs, together with related service activities assigned to the agencies.

The Committee recommends a direct appropriation of \$130,424,500 for fiscal 1967. This is an increase of \$4,146,000 over 1966, and is \$1,866,500 over the House bill, and it is \$5,466,500 under the budget estimate.

In addition, the Committee recommends a transfer from the Commodity Credit Corporation funds of \$77,545,000. This is \$9,950,000 under the transfer for 1966, and is \$1,741,400 over the amount in the House bill, and the same amount as the budget estimate.

The total amount available from both sources, as recommended by the Committee, is \$207,969,500, a decrease of \$5,804,000 under 1966. These amounts are \$5,466,500 under the estimate and \$3,607,900 over the House bill.

The net decrease of funds under 1966 arises from reduction in the volume of workload under the various agricultural programs, administered from this item of appropriation and from savings resulting from management improvements.

These decreases are offset by the following increases comprised of administration of the new Cropland Adjustment Program amounting to \$5,000,000 and increases of \$5,607,000 over 1966 recommended by the Committee for mandatory Pay Act costs pursuant to Public Law 89-301. The Committee action provides the full amount of Pay Act costs requested in the budget estimate.

#### SUGAR ACT PROGRAM

1966 appropriations.....	\$95, 000, 000
1967 budget estimate.....	80, 000, 000
House bill.....	80, 000, 000
Committee recommendation.....	80, 000, 000

An appropriation of \$80 million is recommended for payments to domestic producers of sugarbeets and sugarcane who comply with special requirements under the Sugar Act, as amended.

This is the amount of the budget estimate and the amount carried in the House bill. Under the reduced appropriation the Department estimates that it will be able to make payments on the 1966 mainland cane crop and any deferment of payments will occur in beet areas with a later production schedule. If subsequent events indicate that these funds are inadequate to meet payment schedules, additional funds should be requested in a supplemental estimate.

The excise tax collections from the sugar tax on cane and beet sugar exceed the total obligations for the fiscal years 1938 to 1965 in the amount of \$545 million.



## AGRICULTURAL CONSERVATION PROGRAM

1966 appropriations.....	\$220, 000, 000
1967 budget estimate.....	220, 000, 000
House bill.....	220, 000, 000
Committee recommendation.....	220, 000, 000

This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. The act aims at restoring and improving soil fertility. It contributes to reducing erosion caused by wind and water. It also helps in conserving water on land. Costs are shared with individual farmers and ranchers who perform approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost which amounts to about 50 percent. This program assistance is provided on about 1.1 million farms per year.

An appropriation of \$220 million is recommended to make the cost-sharing payments earned under the ACP program authorized last year. This is the amount requested in the estimate, carried in the House bill, and appropriated for 1966.

The advance authorization for the 1967 agricultural program is recommended at \$220 million. This is the same level as has been approved for a number of years and the amount recommended in the House bill, and is an increase of \$120 million over the authorization requested in the budget for 1967. The administrative expenses of \$30 million to administer the payments program authorized last year and the expenses for development of the 1967 program, are financed under the appropriation "Expenses, ASCS."

## APPALACHIAN REGION CONSERVATION PROGRAM

1966 appropriations.....	-----
1967 budget estimate.....	\$4, 375, 000
House bill.....	2, 200, 000
Committee recommendation.....	1 3, 000, 000

<sup>1</sup> In addition 1,375,000 of the estimated unused funds provided in the Second Supplemental Appropriation Act of 1965 to be reappropriated and merged with this appropriation.

The Appalachian Region Conservation Program is a new long-term program authorized by Section 203 of the Appalachian Region Development Act of 1965 to provide special cost-sharing assistance to landowners, operators, or occupiers of land in the Appalachian region. Under this conservation program contracts are entered into to provide for land stabilization, erosion and sediment control, reclamation through changes and land use and the establishment of conservation and development measures to stabilize or to improve the soil, water, woodland, wildlife and recreation resources in the Appalachian region, as designated by law.

In fiscal 1966, funds were used to initiate this program from the appropriation of \$7 million approved in the Second Supplemental Appropriation Act of 1965.

The Committee recommends an appropriation of \$3,000,000, together with a reappropriation of \$1,375,000 of the estimated unused funds provided in the Second Supplemental Appropriation Act of 1965.

These amounts will provide the full budget estimate of \$4,375,000, and are an increase of \$4,375,000 over the 1966 Appropriation Act, and \$800,000 in direct appropriation over the House bill.

CROPLAND CONVERSION PROGRAM

1966 appropriations.....	\$7, 500, 000
1967 budget estimate.....	10, 000, 000
House bill.....	7, 500, 000
Committee recommendation.....	10, 000, 000

Under this appropriation payments are made to producers for a pilot program for cropland adjustment, pursuant to Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by Section 101 of the Food and Agriculture Act of 1962. Under the pilot program producers enter into long-term cropland conversion agreements to shift temporarily land to better production use and to utilize land for purposes for which it is suitable for crop use but not currently needed for crops, or to shift permanently land to better productive use.

The Committee recommends an appropriation of \$10,000,000 for the pilot cropland conversion program for calendar 1967. This is the amount requested in the estimate for 1967, and is \$2,500,000 above the amount provided in the Appropriation Act for fiscal 1966 and the amount provided in the House bill.

CROPLAND ADJUSTMENT PROGRAM

1966 appropriations.....	-----
1967 budget estimate.....	\$200, 000, 000
House bill.....	90, 000, 000
Committee recommendation.....	50, 000, 000

This program is authorized by Title 6 of the Food and Agriculture Act of 1965. The purpose of this program is to assist farmers through long-term agreements to divert land from the production of unneeded crops to uses which will promote the development of soil, water, forest, wildlife, and recreational resources. There is authority under this program also to establish, protect and conserve open spaces and natural beauty and to prevent air and water pollution.

The signup for this program includes approximately 3.2 million acres with an estimated annual cost of \$83.5 million. It is estimated that there will be a large slippage between signup and actual contracts. The Committee also noted that the Department has no firm estimate of the payment expense for fiscal 1967.

The Committee recommends an appropriation of \$50,000,000 for the expenses of the Cropland Adjustment Program. This amount is \$150,000,000 below the budget estimate and \$40,000,000 under the House bill. The Committee does not prejudice actual needs for fiscal 1967, and should it be determined later that additional funds are required for expenses and obligations due in fiscal 1967, a supplemental estimate for that purpose can be considered at a later date based upon more current estimates of need.

The Committee concurs in the House action to limit new agreements in 1967 crop year to \$80,000,000 in lieu of the original estimate of \$215 million and the revised estimate of \$125 million.



## CONSERVATION RESERVE PROGRAM

1966 appropriations.....	\$146, 000, 000
1967 budget estimate.....	143, 000, 000
House bill.....	140, 000, 000
Committee recommendation.....	140, 000, 000

The conservation reserve program is authorized by the Soil Bank Act of 1956. It was a voluntary program under which the Secretary was authorized to enter into 3- to 10-year contracts with farmers to withdraw specified acreages of cropland from production and devote it to conservation uses. In return for removing designated cropland from production and for establishing necessary conservation practices on this land, the farmer receives an annual rental payment each year of the contract period, and received cost-sharing assistance for the establishment of the required conservation practices. Most contracts will have terminated by the fiscal year 1970.

The Committee recommends an appropriation of \$140 million. This is \$3 million under the budget estimate and \$6 million under the appropriation for 1966. The amount recommended is the same amount as provided in the House bill. The funds appropriated are required to make payments on outstanding conservation reserve contracts. These are mandatory payments and it is believed that the funds provided will be adequate to meet the requirements of contracts for which payments must be made during fiscal 1967, but should it become necessary a supplemental estimate can be considered later in the fiscal year.

## EMERGENCY CONSERVATION MEASURES

1966 appropriations.....	\$24, 000, 000
1967 budget estimate.....	5, 000, 000
House bill.....	5, 000, 000
Committee recommendation.....	5, 000, 000

The program of emergency assistance was authorized by the Third Supplemental Appropriation Act of 1957 (Public Law 85-58). Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

An appropriation of \$5,000,000 is recommended for making payments to eligible producers for carrying out emergency cost-sharing practices. This is the amount of the budget estimate, and the amount carried in the House bill. It is a reduction in appropriation of \$19,000,000 under 1966, but it is expected that prior year balances in excess of \$16,000,000 will be available and thus provide at least \$21,000,000 for meeting such requirements in fiscal 1967.

The Committee again calls attention to the fact that budget estimates for emergency land treatment measures should be placed upon a more realistic basis to enable the Department to fulfill promptly its responsibilities under this authority as is done in the case of other losses and damages resulting from natural disasters.

RURAL COMMUNITY DEVELOPMENT SERVICE

1966 appropriations.....	\$637, 000
1967 budget estimate.....	3, 468, 000
House bill.....	637, 000
Committee recommendation.....	2, 500, 000

The Rural Community Development Service was established by the Secretary of Agriculture's Memorandum No. 1570 dated February 24, 1965. The Service provides leadership within the Department of Agriculture in formulating plans and evaluating operations pertaining to development of natural and human resources in rural communities. It formulates plans for and evaluates operations of the "outreach" functions designed to assure rural citizens of a fully equal opportunity to participate in all services and benefits of the Federal Government for which they are eligible. This function is performed by operating USDA agencies in conjunction with their regular programs. It maintains continuous liaison with other USDA and non-USDA Federal agencies to oversee and expedite the operations of programs and provisions for coordination between several agencies. It also formulates and oversees the execution of special demonstration projects in rural community development and promotes continuous review of working relationships between the several USDA, non-USDA Federal, other public, and private agencies involved in work affecting rural community development.

An appropriation of \$2,500,000 is recommended for the administrative expenses of the coordination and related specialized services rendered by the Rural Community Development Service. This is an increase of \$1,863,000 over the 1966 appropriation, \$1,863,000 over the amount recommended by the House, and \$968,000 under the budget estimate.

In view of the large number of agricultural agencies with field offices and the newly authorized programs for agriculture and for new agencies and departments of Government, the Committee believes that some central group within the Department should exercise coordination of the multiplicity of planned programs by various governmental agencies. The Committee does not believe that an operating agency of the Department should be given this role. Each agency has a full-time job to carry out its regular programs, but each agency within the Department is expected to cooperate fully with this staff and obviate the need for the establishment of a large and separate coordination staff. The Committee will expect the Secretary of Agriculture to take such steps as are necessary to improve interagency coordination within the next year and expects that he will see to it that there will be no repetition of augmenting this staff beyond the amount in the Appropriation Act.

OFFICE OF THE INSPECTOR GENERAL

1966 appropriations.....	\$10, 613, 000
1967 budget estimate.....	11, 602, 000
House bill.....	11, 254, 000
Committee recommendation.....	11, 254, 000

Internal audit and investigation activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503, dated June 25, 1962, and



No. 1524, dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The Committee recommends an appropriation of \$11,254,000 for the administrative expenses of this office. This is the amount of the House bill, an increase of \$641,000 over 1966 and is \$348,000 under the budget estimate.

The increased funds include \$141,000 for mandatory Pay Act costs, and \$500,000 over 1966 for acceleration of audit of the expanded Food Stamp program, of the Agricultural Stabilization and Conservation Service county committee offices, for increased investigational activity, and related activities.

In addition to the appropriation recommended herein the Committee is advised of the intention of the Secretary of Agriculture to augment the available appropriation by \$250,000 resulting from the transfer of compliance and regulatory activities from the Consumer and Marketing Service.

#### PACKERS AND STOCKYARDS ACT

1966 appropriations.....	<sup>1</sup> \$2, 400, 000
1967 budget estimate.....	<sup>1</sup> 2, 604, 000
House bill.....	2, 400, 000
Committee recommendation.....	2, 604, 000

<sup>1</sup> 1966 appropriation and 1967 estimate under Consumer and Marketing Service.

The Committee recommends an appropriation of \$2,604,000 for the administration of the Packers and Stockyards Act. This is an increase of \$204,000 over the House bill and the same amount as carried in the budget estimate under the Consumer and Marketing Service.

The Committee concurs in the action taken by the House to provide a separate appropriation for administration of the Packers and Stockyards Act. This Committee had previously recommended that the administration of this very important act should be in a separate agency and therefore concurs in the views expressed in the House report that the Secretary should establish a separate regulatory agency for this purpose.

#### OFFICE OF THE GENERAL COUNSEL

1966 appropriations.....	\$4, 286, 000
1967 budget estimate.....	4, 325, 000
House bill.....	4, 325, 000
Committee recommendation.....	4, 325, 000

The General Counsel, as chief law officer of the Department, is responsible for providing legal services for all programs, operations, and activities of the Department. He serves as General Counsel for the Commodity Credit Corporation and for the Federal Crop Insurance Corporation, and represents the Secretary of Agriculture in

administrative proceedings involving freight rates on farm commodities including appeals from the Interstate Commerce Commission.

An appropriation of \$4,325,000 is recommended for fiscal 1967. This is the amount requested in the budget estimate, the amount of the House bill, and an increase of \$39,000 over 1966 for mandatory Pay Act costs.

OFFICE OF INFORMATION

1966 appropriations-----	\$1, 915, 000
1967 budget estimate-----	1, 826, 000
House bill-----	1, 826, 000
Committee recommendation-----	1, 851, 000

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department directory, and the Department list of publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department.

The Committee recommends an appropriation of \$1,851,000 for fiscal 1966. This is a net decrease of \$64,000 under the 1966 appropriation and \$25,000 over the amount requested in the budget and approved by the House.

The increases over 1966 are \$9,000 for Pay Act costs, \$10,300 to establish a centralized file on color film slides, \$30,000 to reprint certain farmer bulletins, and \$61,700 relating to expanded informational activities. The Committee has recommended an increase of \$25,000 over the estimate and the House bill to improve the Yearbook of Agriculture which is published each year. These increases are offset by the non-recurring decrease of \$200,000 under last year for supplemental appropriation for a reprint of the Agricultural Yearbook, "Consumers All."

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

1966 appropriations-----	\$1, 735, 000
1967 budget estimate-----	2, 501, 000
House bill-----	2, 147, 000
Committee recommendation-----	2, 501, 000

The National Agricultural Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. This reduces duplication of effort and avoids diversion of valuable time of scientists and administrators by letting them know what has been done previously in their fields.

An appropriation of \$2,501,000 is recommended for the expenses of the National Agricultural Library. The amount recommended is \$766,000 over the 1966 appropriation, \$354,000 over the House bill and is the amount requested in the budget estimate.



The increases over 1966 consist of \$12,400 for mandatory Pay Act costs and \$753,600 to improve library services to scientific workers to be achieved through improvements in cataloging bibliographic and related library services essential to making published data more readily available. Increased funds are also provided to accelerate the automation of library systems which will permit the Library to render broader and more prompt service and make more efficient use of the central library staff.

#### OFFICE OF MANAGEMENT SERVICES

1966 appropriations-----	\$2, 542, 000
1967 budget estimate-----	2, 687, 000
House bill-----	2, 600, 000
Committee recommendation-----	2, 600, 000

This Office was established pursuant to Secretary's Memorandum No. 1529, dated January 29, 1963, to consolidate the budget and management service functions for several staff offices and agencies of the Department of Agriculture.

The Committee recommends an appropriation of \$2,600,000 for the operations of this office. This represents an increase of \$58,000 over the 1966 appropriation, is the amount recommended in the House bill and is \$87,000 under the budget estimate.

The increased funds recommended include \$20,000 for mandatory Pay Act costs pursuant to Public Law 89-301, and \$38,000 to meet the increased costs resulting from increased activities approved for the agencies for which services are provided.

#### GENERAL ADMINISTRATION

1966 appropriations-----	\$3, 928, 000
1967 budget estimate-----	3, 959, 000
House bill-----	3, 959, 000
Committee recommendation-----	3, 959, 000

This appropriation item is used to finance the expenses of the Office of the Secretary of Agriculture and his immediate staff, together with various staff offices, including the Office of Budget and Finance, Office of Plant and Operations, Office of Personnel, Office of Management Appraisal and Systems Development, Office of Hearing Examiners, the Judicial Officer, and the expenses of the National Advisory Commission.

An appropriation of \$3,959,000 is recommended for the operations and expenses of the Office of the Secretary and the staff office and functions financed from this appropriation. The amount recommended is an increase of \$31,000 over 1966 for Pay Act costs pursuant to Public Law 89-301, and is the amount of the estimate and the House bill.

The Committee is concerned about the trend in recent years to expand the use of the working capital fund for special purpose activities. This fund was established for the express and sole purpose of providing central reimbursable services and was not intended to be used to establish a staff such as the new program evaluation and planning staff.

This new staff is largely a duplication of existing staff offices already established and functioning effectively. The new staff cost an estimated \$180,000 for only one-half of fiscal 1966 and the corresponding

activities in the major agencies are estimated to cost an additional \$198,640 for fiscal 1966.

No justification has ever been presented to the Committee for these additional staff services. The Committee directs that the need and expenses of this staff be justified for any proposed continuation of it beyond the end of this calendar year.

Should the Department decide that there is a continuing need for this staff, beyond December 31, 1966, it should submit a supplemental budget estimate for consideration by the Committees of Congress prior to the adjournment of the current session of the Congress.

## TITLE II—CREDIT AGENCIES

### RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the Act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2% interest.

### LOAN AUTHORIZATION FOR ELECTRIFICATION LOANS

1966 authorization.....	(\$365, 000, 000)
1967 budget estimate.....	(220, 000, 000)
House bill.....	(365, 000, 000)
Committee recommendation.....	(375, 000, 000)

The Committee recommends new loan authorization for the electrification program for fiscal 1967 in the amount of \$375 million. This amount is \$20 million less than the amount made available to the agency, including the release of contingency reserves provided for in the Appropriation Act for 1966. The amount recommended is \$155 million over the amount recommended in the budget estimate for 1967 and is \$10 million over the new authorization of \$365 million recommended in the House approved bill.

The budget recommendation for 1967 did not include any contingency reserve but as the bill was approved by the House it provided a contingency reserve of \$72,500,000. The Committee recommends that the contingency reserve be stricken from the bill, thereby making available a direct authorization of \$375 million.

The directions of the Committee Report (No. 497) accompanying the Fiscal Year 1964 Agriculture Department Appropriations Bill require that, before approving loans for generation and major transmission, the REA Administrator take certain steps to evaluate existing or proposed contracts by which private companies supply or offer to supply wholesale service to REA-financed cooperatives.

The directions were intended to apply only to applications for initial loans for generation and major transmission to cooperatives where the facilities to be constructed would displace existing contractual arrangements with private power companies. The Committee did not intend the directions to require solicitation of offers from pri-



vate power companies in the case of subsequent loans to federated G & T cooperatives.

Further, the directions were not intended to apply to any loan application which had been approved by the Administrator prior to the adoption of the directions, or to any reasonable addition to such loan. The Committee affirms this position and directs the Administrator to proceed without considering the directions as applicable as to any such loan and reasonable additions thereto.

LOAN AUTHORIZATION FOR TELEPHONE LOANS

1966 appropriations.....	(\$97, 000, 000)
1967 budget estimate.....	(85, 000, 000)
House bill.....	(97, 000, 000)
Committee recommendation.....	(117, 000, 000)

The Committee recommends new loan authorization for the rural telephone program of \$117 million. This is an increase of \$32 million over the budget estimate and \$20 million over the amount recommended in the House bill. For fiscal 1966, including contingency reserve and rescissions, there was available \$101,000,000 for telephone loans, thus the Committee recommendation provides for a net increase of \$16 million over the total loan funds available for fiscal 1966. The budget estimate did not request the contingency reserve for 1967, but the House bill included a reserve of \$6 million and the Committee recommends that this reserve authorization be stricken from the bill.

RURAL ELECTRIFICATION ADMINISTRATION

SALARIES AND EXPENSES

1966 appropriations.....	\$12, 202, 000
1967 budget estimate.....	12, 202, 000
House bill.....	12, 202, 000
Committee recommendation.....	12, 302, 000

An appropriation of \$12,302,000 is recommended for the administrative expenses of the electrification and telephone loan programs. This is \$100,000 over the amount provided for fiscal 1966, and the amount requested in the budget and approved by the House.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

	1966 authori- zation	Budget estimates 1967	House bill 1967	Senate Committee 1967
Farm ownership loans.....	\$45, 000, 000	\$5, 000, 000	\$5, 000, 000	\$5, 000, 000
Land conservation and development loans (Appalachia).....		7, 100, 000		
Soil and water loans.....	30, 000, 000	85, 000, 000	85, 000, 000	85, 000, 000
Operating loans.....	300, 000, 000	300, 000, 000	300, 000, 000	350, 000, 000
Total, direct loan account.....	375, 000, 000	397, 100, 000	390, 000, 000	440, 000, 000

The Direct Loan Account was established pursuant to the Consolidated Farmers Home Administration Act of 1961. In addition, collections on principal and interest on outstanding loans are deposited in the Direct Loan Account and are available for principal and interest payments on borrowings from the Secretary of the Treasury. The

funds in this account are available for making loans for farm ownership, for soil and water conservation facilities and systems, and for farm operating purposes. It is estimated that at the end of fiscal 1966, the balance of the Direct Loan Account will be \$99,744,355. The estimated receipts arising from collections during fiscal 1967 will provide approximately \$333,942,000 for a total availability in the account during fiscal 1967 of \$433,686,335. This account will be augmented pursuant to the provisions of Public Law 89-429 approved May 24, 1966.

The budget estimate proposes obligations by loans during fiscal 1967 of \$397,100,000, and the Committee has recommended authorization of \$440,000,000. This is \$65,000,000 over 1966, and is \$50,000,000 over the House bill and \$42,900,000 over the budget estimate for 1967. The loan programs financed from the Direct Loan Account are as follows:

*Farmownership loans.*—The Committee recommends direct authorization of \$5 million for farm ownership loans for 1967. This is \$40 million under the 1966 authorization and is the amount requested in the budget and carried in the House bill for 1967. In addition, it is anticipated that the loan volume for insured farm ownership loans for 1967 will be \$225 million for a total program of \$230 million. This compares with the total estimated loan program for 1966 of \$225 million.

The Second Supplemental Appropriation Act, 1965, approved April 30, 1965, provided an appropriation of \$7.1 million for land conservation and development loans authorized pursuant to the Appalachian Regional Development Act of 1965. Under this authorization loans may be made to improve and protect the land from erosion, to promote better utilization of land and water resources, to stabilize the agricultural economy, and to supplement cost share grants authorized by Section 203 of the Appalachian Regional Development Act. None of the funds appropriated in the Second Supplemental Appropriation Act for 1965 were utilized for these purposes.

The Committee concurs in the action by the House to deny the request for 1967 since the funds previously authorized are available for use in 1967.

*Soil and conservation water loans.*—For soil and water conservation loans, the Committee recommends an authorization of \$85 million, as proposed in the budget and the House bill. This is an increase of \$55 million over 1966. The increase is needed for soil and water association loans to public bodies. Public Law 89-240 which increased the single association loan to \$4 million also permits loans for waste disposal facilities. This increase and authorization has greatly accelerated the demand for these loans to public bodies including both direct and insured loans.

*Operating loans.*—An authorization of \$350 million is recommended for farm operating loans. This authorization is \$50 million over the amount in the House bill, the amount requested in the budget estimate, and the authorization for 1966. The Committee also recommends that the contingency reserve of \$50 million which was requested in the budget estimate and approved by the House be stricken from the bill, thereby making available \$350 million for farm operating loans for the fiscal year.

The Committee expects that the increased loan authorization will be used in accordance with the requirements that loans be made



only to borrowers ineligible for credit from other lending sources and that the agency will pursue a vigorous policy of assisting present borrowers to refinance their loans with other lenders as soon as they become eligible.

#### RURAL WATER AND WASTE DISPOSAL GRANTS

1966 appropriations.....	\$20, 000, 000
1967 budget estimate.....	26, 000, 000
House bill.....	26, 000, 000
Committee recommendation.....	26, 000, 000

Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended by Public Law 89-240, approved October 7, 1965, provides an appropriation authority for grants for the preparation of comprehensive plans for the development of water or sewer systems. Grants made under this authority may not exceed \$5 million in any one fiscal year.

The Committee recommends an appropriation of \$26 million for the development of plans for water or sewer systems and for grants for water and sewer plants for fiscal 1967. The amount recommended is \$6 million over the appropriation for 1966 and is the same amount as the budget estimate and the House bill for 1967.

#### RURAL HOUSING DIRECT LOAN ACCOUNT

Title X of Public Law 89-117 (Housing and Urban Development Act of 1965), approved August 10, 1965, amends title V of the Housing Act of 1949 to provide for the establishment of a Rural Housing Direct Loan Account. This amendment also authorizes the transfer to the Rural Housing Direct Loan Account of (1) all funds, claims, notes, mortgages, contracts, and property, and all collections and proceeds therefrom under the direct loan provisions of title V of the Housing Act of 1949 and any unexpended balances of amounts borrowed from the Secretary of the Treasury under section 511 of the Act, and (2) all unexpended balances of appropriations for direct loans under title V, including funds authorized for direct elderly rental housing loans by section 515(a) of the Act.

It is estimated that as of June 30, 1966, this loan account will have a balance of \$105,393,359 and that during 1967 the loan collections will increase the availability to \$176,992,359. During 1967 it is estimated that loan obligations of \$15 million will be made against the account of which \$10 million will be for building loans and \$5 million for elderly rental housing loans. In addition, payments of interest to the Treasury are estimated at \$22 million. Thus, the projected balance at the end of fiscal year 1967 will be \$139,992,359.

During fiscal 1967 most rural housing loans will be made on an insured basis under the new Rural Housing Insurance Fund.

The estimated loan volume for 1966 approximates \$346,500,000 of which \$60,500,000 will be from the Direct Loan Account and \$286,000,000 from the Insured Loan Account. The estimated volume of insured rural housing loans for 1967 is \$375 million.

#### RURAL HOUSING GRANTS

The Committee concurs in the action of the House to deny the budget estimate of \$4 million for rural housing grants authorized by Title V of the Housing Act of 1949, as amended.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1966 appropriations.....	\$3, 000, 000
1967 budget estimate.....	3, 000, 000
House bill.....	3, 000, 000
Committee recommendation.....	3, 000, 000

Financial assistance to provide low rent housing and related facilities for domestic farm labor was authorized by Section 516 of the Housing Act of 1949, as amended. The Committee recommends an appropriation of \$3 million for 1967. This is the amount of the House bill, the budget estimate, and the amount appropriated for fiscal 1966.

The Committee has also stricken from the bill the words "to public nonprofit organizations". This language change was recommended in the budget estimate in order to clarify the question of eligibility and to make the appropriation language comparable with the language in the law.

RURAL RENEWAL

1966 appropriations.....	\$1, 200, 000
1967 budget estimate.....	1, 200, 000
House bill.....	1, 200, 000
Committee recommendation.....	1, 200, 000

The rural renewal program was authorized pursuant to Section 102 of the Food and Agricultural Act of 1962. Under this authorization loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization. For the loan expenses under this program for fiscal 1967, the Committee recommends \$1,200,000, the same amount as for 1966 and the amount of the budget estimate and the House bill for 1967.

SALARIES AND EXPENSES

1966 appropriations.....	\$49, 661, 000
1967 budget estimate.....	51, 600, 000
House bill.....	51, 057, 000
Committee recommendation.....	51, 000, 000

The Committee recommends a direct appropriation of \$51 million for salaries and expenses of the agency. This amount is \$600,000 under the budget estimate, a decrease of \$57,000 below the House bill and a net increase of \$1,339,000 over appropriations for 1966. The increase over 1966 includes \$400,000 for mandatory Pay Act costs pursuant to Public Law 89-301, and an increase of \$939,000 to be used for increased administrative expenses in connection with the making and servicing of loans and grants under the various programs authorized to be administered by this agency.

In addition, the Committee has approved the House provision of \$500,000 to be derived from the various loan funds for the employment of temporary personnel, together with \$2,250,000 for the Agricultural Credit Insurance Fund. Thus there is available to the agency for administrative expenses a total of \$53,750,000 for the administration of regular program activities.

Since 1961 the Congress has authorized expansion of existing programs and additional programs to be administered by the agency. The volume of program activity for all types of loans and grants in 1961 amounted to approximately \$395 million and this volume had increased to an estimated \$1,185,000,000 for 1966 and the current estimated volume for 1967 of \$1,287,000,000.

This Committee has strongly recommended increases in appropriations requested to provide adequate administrative funds for the



agency. For example, in 1961 the comparable appropriation including transfers totals \$36,644,000 and the corresponding figures for 1966 total \$61,180,000. The direct appropriation and transfer funds from various sources for administrative expenses as recommended by the Committee for 1967 total \$61,559,000.

The Committee has recently been advised by the Secretary of Agriculture that the agency expects to utilize \$1,800,000 of the appropriation for fiscal 1966 to purchase a computer to be used at the National Finance Office in St. Louis, Missouri.

The Committee notes that the rural housing program is continuing to make good progress. Under the legislation enacted a year ago, the agency is now authorized to make housing loans in rural towns of population up to 5,500—to applicants unable to obtain credit on reasonable terms from private lending institutions.

The Committee believes that there may be a great potential for the expansion of housing in rural areas. Improved and modern housing will help to stabilize rural communities which may in turn encourage the development of light industry in some rural areas.

Agency officials are requested to place RH loan servicing on a basis more compatible with private lending institutions especially for those borrowers who pay installments by check, draft or money order. More businesslike procedures will immediately reduce agency administrative expenses as borrowers deal on a direct payment basis with the National Finance Office. The successful use of a direct payment procedure will serve to demonstrate to private lenders that FHA borrowers are good housing loan risks and may stimulate private lenders to refinance FHA loans and to make more rural housing loans from their own resources.

The present billing and collection procedures used by FHA are too costly and time consuming both on the part of the borrower and the agency, and result in unwarranted county office administrative expense. The changes recommended above can be promptly instituted and the committee will expect prompt action to be taken in this regard.

The Committee directs therefor that immediate steps be taken to initiate a direct loan housing payment procedure with the objective of transferring most borrowers to a direct monthly payment procedure by the end of the fiscal year 1967. Direct payment servicing procedures on soil and water, and farm ownership loans should also be developed within fiscal 1967.

The Committee is also concerned about the failure of the agency—in spite of its periodic visits and counseling of borrowers—to reevaluate the financial progress of borrowers and to assist them in securing refinancing from other credit sources when their financial progress makes them eligible. There appears to be some tendency to perpetuate loans and to continue advancing annual production credit to borrowers who have become eligible to obtain credit from local sources.

The recent reports by the GAO have questioned the effectiveness of agency operational procedures followed by agency personnel in regard to refinancing of existing loans. The report by the GAO, dated May 26, 1966, clearly shows the need for some corrective action. Any practice of continuing credit after borrowers are able to refinance with other lenders reduces the capability of the agency to make the most effective use of limited loan funds available to it.

It also results in unnecessary administrative expense resulting from maintaining loan accounts and the supervision of borrowers after they

are able and eligible for credit elsewhere, as a result of financial assistance rendered by the FHA loans. The committee expects the agency to conduct a prompt and orderly review of the situations reported in the GAO reports and to report to committee next year on the results of such review including the number and amounts of loans by type that have been refinanced as a result of the review, together with corrective measures taken to preclude a future recurrence.

The Committee is concerned about recent administrative action recommended to disperse the important appraisal responsibility for real estate loans to over 1,632 county office supervisors and to base the farm ownership loan values principally upon market value rather than the potential earnings capabilities. Continuation of the projected decentralized appraisal program can easily result in impairment of the excellent repayment record for the farm ownership loan program administered by the agency. Similarly, appraisal functions of all specialized loan programs should not be delegated to county offices except in special cases, but retained at a level within the state organization wherein qualified appraisal capability is located. The Committee expects therefor that the appraisal responsibility will be restored to more qualified agency personnel in the district offices.

The Committee expects that action will be taken to assure prudent valuation criteria for farm ownership loans and to return the appraisal function for such loans to more qualified and experienced district supervisors.

TITLE III—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

Source of funds	1966 appropriation	Budget estimates 1967	House bill 1967	Senate Committee 1967
By appropriation.....	\$8,192,000	\$8,546,000	\$8,342,000	\$8,546,000
By transfer from premium income.....	(4,000,000)	(4,000,000)	(4,150,000)	(4,000,000)
Total funds available.....	12,192,000	12,546,000	12,492,000	12,546,000

The Federal Crop Insurance Corporation is a wholly owned Government Corporation created February 16, 1938 (7 U.S.C. 1501) to carry out the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards such as insect and wildlife damage plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

Administrative and operating expenses for the Federal Crop Insurance Corporation are financed by appropriation and by transfer from premium income. The total fund recommended by the Committee from both sources is \$12,546,000. This is an increase of \$354,000 over 1966 and is the amount of the budget estimate and a net increase



over the House bill of \$54,000. The increases over 1966 include \$65,000 for mandatory Pay Act costs and \$289,000 for increased administrative expenses. Increased operating expenses result from the expanded program authorized to include 40 additional counties and to extend the number of crops insured from 491,000 to 506,000 estimated for 1966.

The direct appropriation recommended by the Committee is \$8,546,000, an increase of \$354,000 over 1966 and the amount of the budget estimate and an increase of \$204,000 over the amount in the House bill. The Committee recommends that the amount of administrative expense to be derived by transfer from premium income be limited to \$4 million as requested in the budget estimate, a decrease of \$150,000 under the amount approved by the House and the same amount as provided by transfer for fiscal 1966.

The Committee is concerned about the effect of present limitation in the Crop Insurance Act, as amended, affecting the use of premium income for operating expenses. It has been advised that the Corporation may not include in its premium rate structure amounts to cover administrative expenses and direct costs of loss adjustments.

Section 508(b) of the Act authorizes adequate premiums at such rates as deemed necessary to cover claims for crop losses and to establish a reasonable reserve against unforeseen losses.

Agency officials maintain that due to the present limitation in the law the funds used from premium income deplete the capital reserves. The 1967 budget projects a capital account balance at the end of 1965 of \$41.9 million, and the latest estimated balance at the end of 1966 is about \$31 million.

In view of these developments, the Committee believes that the Department should develop and send to the Congress legislative recommendations prescribing an up-to-date formula for establishing criteria and limitations for charging administrative and operating costs from premium income and from regular appropriations.

## COMMODITY CREDIT CORPORATION

### REIMBURSEMENT FOR NET REALIZED LOSSES

1966 appropriations.....	\$2,800,000,000
1967 budget estimate.....	3,555,855,000
House bill.....	3,500,000,000
Committee recommendation.....	3,555,855,000

The Committee recommends an appropriation of \$3,555,855,000 to reimburse the Commodity Credit Corporation under this appropriation heading. The amount recommended will fully reimburse the Commodity Credit Corporation for 1965 realized losses of \$3,048,020,744 incurred in the conduct of regular price support, export, supply, and related farm program costs incurred in that fiscal year, it also includes the balance of unreimbursed realized losses incurred in fiscal 1964 in the amount of \$507,834,256. The appropriation recommended is the amount requested in the budget estimate and is an increase of \$55,855,000 over the House bill and \$755,855,000 over the appropriation for 1966 for this purpose.

Public Law 87-155, approved August 17, 1961, authorizes the restoration of capital impairment by reimbursement appropriation. With the action taken in the Appropriation Act for 1966, together with the amount included by the Committee in this bill, all prior

year unreimbursed losses have been appropriated for, as requested by law, with the exception of the unreimbursed loss of fiscal 1961 in the amount of \$1,057,000,000. This is the unreimbursed balance of the revaluation of the inventory loss incurred in that fiscal year.

The action of the Executive Branch in requesting appropriations to clean up in arrears for net realized losses is beginning to produce results in terms of reflecting the fiscal year costs of price support and related activities as soon thereafter as they can properly be accounted for in the books of account of the Corporation and funds for reimbursement can be requested and obtained from the Congress in the Appropriations Act.

The appropriations made for this purpose do not in any way affect the rate of expenditure of the Commodity Credit Corporation in the conduct of the several authorized farm programs, but simply move in the direction of returning to an orderly and appropriate way of appropriating for net realized costs as promptly as possible as they are sustained and in accordance with the intent of Public Law 87-155. The Committee expects that the budget for fiscal year 1968 will include the full amount for the realized losses for fiscal year 1966, the current fiscal year, and its balance of \$1,057,000,000 from 1961, so that a year from now the appropriations for this purpose will be on a current basis.

As the bill came to the Senate from the House, it contained a provision precluding the use of any funds appropriated in the Act to formulate or administer programs for the sale of agricultural commodities under titles I and IV of Public Law 480 to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities so long as North Vietnam is governed by a Communist regime.

It is believed that there is general agreement with the objectives of this amendment. However, it would preclude effective operation not only of Public Law 480 during fiscal 1967, but would also encroach upon the authority that the committee believes that the President of the United States should have in the conduct of his responsibilities. The Committee conducted a special hearing at which time representatives of the Department of State presented alternative amendments for consideration by the Committee in lieu of the language as passed by the House of Representatives.

After careful consideration of this entire matter, the Committee recommends that the following language in the House passed bill be stricken:

: *Provided*, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to Titles I or IV of Public Law 480, 83rd Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime

In lieu of the language stricken, the Committee recommends that the following provision be inserted in the bill:

: *Provided*, That unless the President determines that the national interest requires otherwise, no funds appropriated by this Act shall be used to formulate or administer programs for the sale of



*agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as hostilities are in progress in Vietnam*

This provision would give authority to the President to use funds appropriated under the bill for sales under titles I and IV of Public Law 480, notwithstanding the fact that the purchasing country trades or permits its ships to carry equipment, materials, or commodities to Viet-Nam.

The exercise of this authority would, however, be contingent on the President's making specific determination that the national interest requires the use of funds for that purpose. Two years ago, in making supplemental appropriations for the Department of Agriculture for fiscal 1965 Public Law 89-2, the Committee dealt with a similar provision and a similar provision is found in other acts to carry out programs which are otherwise prohibited. The Committee recommends the adoption of the substitute amendment.

#### PROGRAM PAYMENTS AND COMMODITY LOANS

During the hearings, the Department was requested to compile and furnish the committee with a tabulation showing all payments and loans made during calendar 1965 for the several authorized farm programs. The data furnished to the committee has been summarized and is printed in this report. These data show that during calendar 1965, program payments totaled \$2,253,347,000 and commodity loans exceeded \$1.890 million.

As of the end of the calendar year 1965 loans were still being made on 1965 crops such as grains and cotton. A large percentage of price-support loans are redeemed and interest thereon paid by the farmer. Redeemed commodities are not acquired by the Commodity Credit Corporation and, therefore, direct government cost is not incurred. The tables which follow show only data supplied for loans made as of last December 31 and do not reflect any redemptions or repayments since that date.

For some commodities, the loans are made directly to Cooperatives which, in turn, make individual loans to producers. In such instances, the number of CCC loans made, as here reported, does not represent the number of loans to producers.

The expenditures for payments under the sugar, wool, and under the wheat certificate program for 1965, do not result in any cost to the Federal Treasury when revenues to the Treasury from various sources in connection with tax and other authorized collections are considered. A brief description of payments and revenue receipts follows:

Sugar program payments are made pursuant to authority of the Sugar Act of 1948, P.L. 80-388, as amended. These payments, including operating expenses, made through fiscal year 1965 total \$1,738,578,244. The total tax collections through the same period were \$2,283,454,516. The excess of tax collections over sugar program payments total \$544,876,272 through June 30, 1965. The tax

collections for the calendar year 1965 totaled \$98,370,000, compared to payments of \$77,195,000, leaving a favorable balance of \$21,175,000 over payments in the general revenue fund.

Wool payments are made pursuant to authority of the National Wool Act of 1954, P.L. 83-690, as amended. Total available receipts (70% of duties collected) from passage of the act through 1965 totaled \$886,099,215 as compared with total payments through the same period of \$468,473,322, representing an excess of available receipts to the general revenue funds over wool program payments in the amount of \$417,625,893. During the 1965 calendar year, the available receipts (70% of duties collected) amounted to \$121,476,656 as compared to payments of \$17,926,000, for a net treasury balance over program expenditures of \$103,550,656 for calendar 1965.

Wheat Marketing Certificates were authorized under the Agricultural Act of 1964, P.L. 88-297, approved April 11, 1964. Under this act, receipts for certificates sold to processors and exporters during the calendar year 1965 totaled \$551 million. Payments to farmers for wheat certificates during the 1965 calendar year, and for the 1965 program, as reported, totaled \$487 million.

The summary of payments and loans by program and by commodity follow:



*Number and amount of payments, calendar year 1965*

Program	All payments		Payments below \$5,000		Payments \$5,000 to \$24,999		Payments \$25,000 to \$49,999		Payments \$50,000 and over	
	Estimated number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Emergency conservation measures-----	30,700	\$11,968,000	30,696	\$11,945,774	4	\$22,226				
Conservation reserve-----	163,000	152,932,000	162,664	151,251,200	336	1,680,800				
Cropland conversion-----	5,800	7,512,000	5,575	5,846,913	225	1,665,087				
Feed grain diversion-----	1,803,800	956,340,000	1,885,145	882,410,712	8,509	66,854,504	113	\$3,734,779	33	\$3,340,005
Feed grain price support-----	1,387,000	434,866,000	1,385,445	422,304,877	1,538	11,402,966	10	343,671	7	814,486
Wheat diversion-----	1,047,500	37,823,000	1,047,361	36,772,818	139	1,050,182				
Wheat certificates-----	1,942,000	487,234,000	934,259	423,859,871	7,652	60,211,153	80	2,456,421	9	706,555
Cotton price support-----	509,000	60,551,000	508,485	64,165,765	487	4,329,286	23	734,260	5	321,689
Sugar-----	75,000	77,195,000	72,370	32,729,445	2,438	23,099,588	114	3,731,162	78	17,634,805
Wool-mohair-----	263,000	17,926,000	262,747	15,886,181	250	1,963,781	3	76,038		
Total, all program payments-----	6,316,800	2,253,347,000	6,294,747	2,047,173,556	21,578	172,279,573	343	11,076,331	132	22,817,540

Number and amount of loans, calendar year 1965

Commodity	All loans		Loans below \$5,000		Loans \$5,000 to \$24,999		Loans \$25,000 to \$49,999		Loans \$50,000 and over	
	Estimated number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Corn.....	73,685	\$217,972,425	65,183	\$139,020,206	8,274	\$70,245,352	194	\$6,230,723	34	\$2,476,144
Grains sorghums.....	22,869	93,416,117	17,781	24,081,393	4,533	47,616,405	462	15,310,698	93	6,407,621
Wheat.....	78,830	223,585,023	68,425	118,905,259	9,991	88,926,659	361	11,774,308	53	3,978,797
Barley.....	6,436	12,876,952	6,079	8,521,245	344	2,892,910	7	244,824	6	1,217,973
Oats.....	16,025	22,938,520	15,522	17,995,469	494	3,992,460	6	170,435	3	774,156
Rye.....	5,554	6,365,210	5,478	5,799,157	76	566,053	2	52,818	---	---
Flaxseed.....	15,922	24,798,137	15,170	19,261,663	750	5,483,656	---	---	---	---
Cotton Form A and G loans.....	(1)	886,997,959	---	229,784,421	---	349,615,237	---	---	---	---
Soybeans.....	62,152	172,101,052	56,991	86,115,109	4,979	39,863,738	133	138,345,523	---	168,952,778
Peanuts.....	26	55,873,948	---	27,746,539	---	23,193,761	---	4,584,588	49	41,537,617
Rice.....	1,109	48,630,141	410	985,421	395	5,475,823	204	3,861,408	---	1,072,240
Honey.....	530	2,095,960	419	590,421	99	1,047,427	10	7,167,131	100	33,001,766
Tung oil.....	883	5,506,482	814	3,659,751	51	545,501	11	322,024	2	136,088
Beans, dry edible.....	1,385	4,583,377	1,139	2,402,623	242	2,023,449	3	349,484	7	951,746
Naval stores.....	21	9,193,051	---	3,186,564	---	2,900,269	---	103,531	1	53,774
Tobacco.....	215	101,018,714	---	98,586,236	---	2,335,611	---	1,178,821	---	1,927,397
Dryer equipment.....	1,406	2,508,019	1,405	2,502,591	1	5,428	---	30,199	---	66,668
Total, commodity loans.....	---	1,890,161,087	---	789,144,068	---	646,729,739	---	189,732,515	---	264,554,765

<sup>1</sup> Comparable number data not available because CCC makes loans to cooperative associations (Form G) as well as loans to individual producers (Form A) and the data on advances by cooperatives to individual producers is not available. Amounts shown represent total Form G loans to cooperatives and Form A loans to individual classified by size.

<sup>2</sup> Represents number of loans to cooperative associations, not individual producers.



## LIMITATION ON ADMINISTRATIVE EXPENSES

1966 appropriations-----	(\$36, 650, 000)
1967 budget estimate-----	(34, 300, 000)
House bill-----	(34, 300, 000)
Committee recommendation-----	(34, 300, 000)

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The Committee recommends a limitation on administrative expenses of the Commodity Credit Corporation in the amount of \$34,300,000. This is a decrease of \$2,350,000 under the limitation for 1966 and is the same amount as the budget estimate and the amount approved in the House bill.

## FOREIGN ASSISTANCE PROGRAMS

By various statutes the Commodity Credit Corporation is used to finance programs dealing with the export of agricultural commodities and for reimbursements under Public Law 480, as amended and other authorities described below:

*Public Law 480*

The Committee recommends a total appropriation of \$1,617,000,000 for the various titles of Public Law 480. This is a net decrease of \$41 million under the appropriations for 1966 and the amount requested in the budget and provided in the House bill. The amounts recommended for each title are described below:

By titles	1966 appropriation	1967 estimate	1967 House bill	1967 Senate committee
I. Sale of commodities for foreign currencies-----	\$1,144, 000, 000	\$1,040, 000, 000	\$1,040, 000, 000	\$1,040, 000, 000
II. Emergency famine relief to friendly peoples-----	298, 500, 000	200, 000, 000	200, 000, 000	200, 000, 000
IV. Long-term credit and supply contracts-----	215, 500, 000	377, 000, 000	377, 000, 000	377, 000, 000
Total-----	1, 658, 000, 000	1, 617, 000, 000	1, 617, 000, 000	1, 617, 000, 000

For Title I, "Sales of Commodities for Foreign Currencies": Under this authorization the sale of surplus agricultural commodities is made to friendly countries and payment is made in the currency of the re-

recipient country. An appropriation of \$1,040,000,000 is recommended. This is a decrease of \$104 million under 1966 and is the amount of the estimate and the House bill.

The reductions under 1966 arise from the cost of financing exports of wheat and cotton. These costs are lower due to the elimination of wheat marketing certificates and the equalization payments applicable to cotton exports. Ocean transportation costs are estimated to be lower since the Commodity Credit Corporation will only be required to finance the extent of the differential between U.S. and foreign flag rates. This provision of Public Law 88-638, approved October 8, 1964, will have full impact upon shipments made during fiscal 1967.

For Title II, "Commodities disposed of for Emergency Famine Relief": Under this title of Public Law 480, surplus stocks of the Commodity Credit Corporation may be transferred on a grant basis to meet emergency and famine relief needs. Grants are also made for economic development by funds available to the Agency for International Development. An appropriation of \$200,000,000 is recommended. This is a decrease of \$98,500,000 under the 1966 appropriation and is the amount of the estimate and the House bill.

The reduction is due to an unobligated balance of \$83,000,000 which is available for 1967, together with an estimated net reduction in quantity of the various commodity shipments and the cost of such shipments as described under Title I.

For title IV, "Long-Term Credit and Supply Contracts": The Committee recommends an appropriation of \$377,000,000. This is an increase of \$161,500,000 over 1966 and is the amount of the estimate and the House bill.

The increased funds are needed to reimburse the Commodity Credit Corporation for costs incurred in prior year programs, and in order to place the financing of this program on a pay-as-you-go basis.

Under the authorization of this title, sales of agricultural commodities are made on a long-term dollar credit basis pursuant to agreements entered into between the United States and foreign nations, including private trade or financial institutions acting on behalf of such foreign nations. The objective of this program is to assist in the economic development of such countries by opening up new markets on a long-term cash basis. The sale agreements provide for delivery of commodities over a ten-year period. The commodities must be in surplus at the time of export and are to be used within the recipient country. Credit periods for such export agreements run a maximum of 20 years.

INTERNATIONAL WHEAT AGREEMENT

1966 appropriations.....	\$27, 544, 000
1967 budget estimate.....	60, 000, 000
House bill.....	40, 000, 000
Committee recommendation.....	

The budget estimate for fiscal 1967 was \$60 million, and the House bill approved \$40 million, an increase of \$12,456,000 over 1966 and \$20 million under the estimate. The Committee has not included any funds in the bill to finance expenses under this heading.

The International Wheat Act was first enacted in 1949 and has been amended and extended from time to time. A bill to extend the Act through July 31, 1966 (S. 2294) passed the Senate on July 23, 1965. It is now apparent that this bill will not be acted upon by the House of Representatives.



The Commodity Credit Corporation has been financing the export payments on wheat since August 1, 1965 and will continue to finance this program under its commodity export authority (Section 5, Commodity Credit Corporation Charter Act) in fiscal years 1966 and 1967. These costs will be included in the net realized losses of the Corporation to be reimbursed from appropriations in subsequent fiscal years.

#### BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

1966 appropriations-----	
1967 budget estimate-----	\$13, 000, 000
House bill-----	
Committee recommendation-----	

The Committee concurs in the action by the House to deny an appropriation for expenses related to acquisition costs of strategic and other materials transferred to the supplemental stockpile in exchange for agricultural commodities.

There is still \$30 million available from prior appropriations for use in fiscal 1967. If the activity under this program should increase during fiscal 1967 additional funds can be requested, but at this time it appears that carry-over funds will be adequate to meet the program needs.

### TITLE IV—RELATED AGENCIES

#### FARM CREDIT ADMINISTRATION

##### LIMITATION ON ADMINISTRATIVE EXPENSES

1966 appropriations-----	(\$3, 018, 000)
1967 budget estimate-----	(3, 032, 000)
House bill-----	(3, 032, 000)
Committee recommendation-----	(3, 032, 000)

The full budget estimate of \$3,032,000 for administrative expenses is recommended for 1967. This is an increase of \$14,000 over 1966 for Pay Act costs, pursuant to Public Law 89-301.

The Administration supervises, examines and provides facilities and services to a coordinated system of Farm Credit banks and associations making loans to farmers and their cooperatives. A fundamental principle of supervision is the encouragement and development of agricultural cooperative agencies, rendering constructive credit service to farmers at minimum cost and with complete farmer ownership an ultimate objective of the agencies supervised. Services and facilities furnished by the Administration facilitate the operations of the banks and associations under its supervision and their progress towards farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the Farm Credit System.

The original authority for the organization and activities of the Farm Credit System may be found in the Federal Farm Loan Act approved July 17, 1916. This year marks the 50th anniversary of federally authorized agencies dealing with farm credit programs which have contributed so much to providing long and short term credit to farmers. From time to time the authorities of the Farm Credit

Administration have been revised and extended. Executive Order 6084, dated March 27, 1933, together with the Farm Credit Act of 1933, approved June 16, 1933 was designed to assist the Farm Credit Administration with the necessary authorization to cope with the depressed farm mortgage and related farm credit situation of the early thirties.

Since then, several amendments to the basic legislation have been authorized by Congress. Employment by a national farm loan association prior to July 1, 1935 shall be creditable service for retirement purposes. Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636b). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

#### NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER

1966 appropriations.....	(1)
1967 budget estimate.....	\$645, 000
House bill.....	350, 000
Committee recommendation.....	600, 000

<sup>1</sup> A total of \$200,000 was transferred from agencies of the Department to cover expenses in fiscal 1966.

This Commission was established by Executive Order 11256, dated November 4, 1965. According to that order, the principal objectives of the Commission shall be:

(1) To make a comprehensive study and appraisal of the current economic situation and trends in American farming, including productivity, costs, prices, incomes, farm employment, labor standards, foreign trade, and related matters;

(2) To evaluate existing and alternative agricultural policies and foreign trade policies related thereto in terms of the national interest, the welfare of farmers, workers, consumers, rural Americans, and the general public; their effects on the performance of the economy and on foreign relations; and their implications for the optimum allocation of Federal resources among national objectives; and

(3) To develop such recommendations for action by Government or private enterprise as it deems appropriate to advance the general public interest.

According to testimony received by the Committee, the Commission shall submit its final report and recommendations to the Interdepartmental Committee which was established by this Executive Order not later than July 11, 1967. The Commission shall then completely terminate within 90 days after the submission of its final report, at which time the Interdepartmental Committee shall also terminate.

As indicated in the above listing of the scope of its studies, this Commission shall examine into agricultural policies distinct and apart from the examination and report of the Food Marketing Commission.

The Committee recommends an appropriation of \$600,000 for the complete and final expenses of the operating cost of the Commission. This is an increase of \$250,000 over the House bill and is \$45,000 under the budget estimate.

The funds recommended by the Committee are to constitute the full amount available to the Commission in fiscal 1967 for its study, its final report and for termination costs.



PERMANENT APPROPRIATIONS

Item	Appropriations, 1966	Budget estimates, 1967	Budget estimates, 1967 compared with appropriations, 1966
Consumer and Marketing Service:			
Removal of surplus agricultural commodities (sec. 32).....	\$405, 549, 361	\$445, 000, 000	+ \$39, 450, 639
Perishable Agricultural Commodities Act fund.....	927, 000	927, 000	-----
Total, Consumer and Marketing Service.....	406, 476, 361	445, 927, 000	+ 39, 450, 639
Agricultural Stabilization and Conservation Service: National Wool Act.....	22, 577, 216	37, 373, 000	+ 14, 795, 784
Total, permanent appropriations.....	429, 053, 577	483, 300, 000	+ 54, 246, 423

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1966 AND ESTIMATES AND AMOUNTS RECOMMENDED  
IN BILL FOR 1967

Item	Appropriations, 1966 (adjusted)	Budget esti- mates, 1967	Recommended in House bill for 1967	Amount recom- mended by Senate com- mittee for 1967	Increase (+) or decrease (-), Senate bill compared with—	
					Appropriations 1966 (adjusted)	Budget esti- mates, 1967
TITLE I—GENERAL ACTIVITIES						
Agricultural Research Service:						
Salaries and expenses:						
Research.....	\$ 125, 959, 000	\$ 107, 980, 000	\$ 120, 673, 000	\$ 123, 844, 600	-\$2, 114, 400	+\$15, 864, 600
Plant and animal disease and pest control.....	75, 547, 000	69, 748, 000	76, 764, 000	81, 498, 200	+5, 951, 200	+11, 750, 200
Total.....	\$ 201, 506, 000	\$ 177, 728, 000	\$ 197, 437, 000	\$ 205, 342, 800	+3, 836, 800	+27, 614, 800
Salaries and expenses (special foreign currency program).....	3, 000, 000	(*)	3, 000, 000	6, 000, 000	+3, 000, 000	+6, 000, 000
Total, Agricultural Research Service.....	204, 506, 000	177, 728, 000	200, 437, 000	211, 342, 800	+6, 836, 800	+33, 614, 800
Cooperative State Research Service:						
Payments and expenses.....	\$ 54, 827, 000	47, 740, 000	55, 227, 000	60, 740, 000	+5, 913, 000	+13, 000, 000
						+5, 513, 000

Extension Service:									
Payments to States and Puerto Rico.....	75,600,000	75,917,500	75,917,500	78,917,500	+3,317,500	+3,000,000	+3,000,000		+3,000,000
Retirement costs for extension agents.....	7,857,000	8,139,500	8,139,500	8,139,500					
Penalty mail.....	3,113,000	3,113,000	3,113,000	3,113,000					
Federal Extension Service.....	2,565,000	3,054,000	2,654,000	2,654,000	+89,000	-400,000			
Total, Extension Service.....	89,135,000	90,224,000	89,824,000	92,824,000	+3,689,000	+2,600,000	+3,000,000		
Farmer Cooperative Service.....	1,167,000	1,175,000	1,175,000	1,175,000	+8,000				
Soil Conservation Service:									
Conservation operations.....	108,802,000	109,020,000	109,235,000	109,235,000	+433,000	+215,000			
Watershed planning.....	5,853,000	6,397,000	6,142,000	6,142,000	+289,000	-255,000			
Watershed protection.....	66,331,000	66,559,000	67,020,000	70,000,000	+3,669,000	+3,441,000	+2,980,000		
Flood prevention.....	25,571,000	25,654,000	25,654,000	25,654,000	+83,000				
Great Plains conservation program.....	16,082,000	16,112,000	16,112,000	18,500,000	+2,418,000	+2,388,000	+2,388,000		
Resource conservation and development.....	4,347,000	4,574,000	4,347,000	4,574,000	+227,000		+227,000		
Total, Soil Conservation Service.....	226,986,000	228,316,000	228,510,000	234,105,000	+7,119,000	+5,789,000	+5,595,000		
Economic Research Service:									
Salaries and expenses.....	11,782,000	12,547,000	12,032,000	12,182,000	+400,000	-365,000	+150,000		
Statistical Reporting Service:									
Salaries and expenses.....	14,067,000	13,434,000	13,272,000	13,575,000	-492,000	+141,000	+303,000		
Consumer and Marketing Service:									
Consumer protective, marketing, and regulatory programs.....	77,654,000	83,661,000	82,757,000	83,581,000	+5,927,000	-80,000	+824,000		
Payments to States and possessions.....	1,750,000	1,750,000	1,750,000	1,750,000					
Special milk program.....	103,000,000	21,000,000	50,000,000	105,000,000	+2,000,000	+84,000,000	+55,000,000		
School lunch program.....	7,157,000,000	7,138,000,000	7,157,000,000	7,167,000,000	+10,000,000	+29,000,000	+10,000,000		
Food stamp program.....	8,79,992,000	( <sup>9</sup> )	( <sup>9</sup> )	9,100,000,000	+20,008,000	+100,000,000	+100,000,000		
Total, Consumer and Marketing Service.....	419,396,000	244,411,000	291,507,000	457,331,000	+37,935,000	+212,920,000	+165,824,000		
Foreign Agricultural Service:									
Salaries and expenses.....	10,20,752,000	10,21,379,000	10,21,088,000	10,21,349,000	+597,000	-30,000	+261,000		

See footnotes at end of table, p. 69.



## Comparative statement of appropriations for 1966 and estimates and amounts recommended in bill for 1967—Continued

Item	Appropriations, 1966 (adjusted)	Budget esti- mates, 1967	Recommended in House bill for 1967	Amount recom- mended by Senate com- mittee for 1967	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1966 (adjusted)	Budget esti- mates, 1967	House bill 1967
TITLE I—GENERAL ACTIVITIES—Continued							
Commodity Exchange Authority.....	\$1, 197, 000	\$1, 398, 000	\$1, 398, 000	\$1, 398, 000	\$ +201, 000		
Agricultural Stabilization and Conservation Service:							
Expenses, Agricultural Stabilization and Conservation Service:							
By appropriation.....	11 126, 278, 500	12 135, 891, 000	12 128, 558, 000	12 130, 424, 500	+4, 146, 000	—\$5, 466, 500	+ \$1, 866, 500
Sugar Act program.....	95, 000, 000	80, 000, 000	80, 000, 000	80, 000, 000	—15, 000, 000		
Agricultural conservation program.....	220, 000, 000	220, 000, 000	220, 000, 000	220, 000, 000			
Appalachian region conservation program.....		4, 375, 000	2, 200, 000	3, 000, 000	+3, 000, 000	—1, 375, 000	+800, 000
Cropland conversion program.....	7, 500, 000	10, 000, 000	7, 500, 000	10, 000, 000	+2, 500, 000		+2, 500, 000
Cropland adjustment program.....		200, 000, 000	90, 000, 000	50, 000, 000	+50, 000, 000	—150, 000, 000	—40, 000, 000
Conservation reserve program.....	146, 000, 000	143, 000, 000	140, 000, 000	140, 000, 000	—6, 000, 000	—3, 000, 000	
Emergency conservation measures.....	24, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	—19, 000, 000		
Total, Agricultural Stabilization and Conservation Service.....	618, 778, 500	798, 266, 000	673, 258, 000	638, 424, 500	+19, 646, 000	—159, 841, 500	—34, 833, 500
Rural Community Development Service.....	637, 000	3, 468, 000	637, 000	2, 500, 000	+1, 863, 000	—968, 000	+1, 863, 000
Office of Inspector General.....	10, 613, 000	11, 602, 000	11, 254, 000	11, 254, 000	+641, 000	—348, 000	
Packers and Stockyards Act.....	2, 400, 000	2, 604, 000	2, 400, 000	2, 604, 000	+204, 000		+204, 000
Office of General Counsel.....	4, 286, 000	4, 325, 000	4, 325, 000	4, 325, 000	+39, 000		
Office of Information.....	1, 915, 000	1, 826, 000	1, 826, 000	1, 851, 000	—64, 000	+25, 000	+25, 000
National Agricultural Library:							
Salaries and expenses.....	1, 735, 000	2, 501, 000	2, 147, 000	2, 501, 000	+766, 000		+354, 000
Library facilities.....	7, 000, 000				—7, 000, 000		

Office Management Services.....	2,542,000	2,687,000	2,600,000	3,000,000	+38,000	-81,000	
General administration.....	3,923,000	3,959,000	3,959,000	3,959,000	+31,000		
Total, title I, general activities.....	1,667,649,500	1,669,590,000	1,616,876,000	1,776,040,300	+78,390,800	+106,450,300	+159,164,300
TITLE II—CREDIT AGENCIES							
Rural Electrification Administration:							
Loan authorizations:							
Electrification.....	13 (365,000,000)	(220,000,000)	14 (365,000,000)	14 (375,000,000)	(+10,000,000)	(+155,000,000)	(+10,000,000)
Telephone.....	15 (97,000,000)	(85,000,000)	16 (97,000,000)	16 (117,000,000)	(+20,000,000)	(+32,000,000)	(+20,000,000)
Total, loan authorizations.....	(462,000,000)	(305,000,000)	(462,000,000)	(492,000,000)	(+30,000,000)	(+187,000,000)	(+30,000,000)
Salaries and expenses.....	12,202,000	12,202,000	12,202,000	12,302,000	+100,000	+100,000	+100,000
Total, Rural Electrification Administration.....	12,202,000	12,202,000	12,202,000	12,302,000	+100,000	+100,000	+100,000
Farmers Home Administration:							
Direct loan account:							
Real estate loans.....	(75,000,000)	17 (97,100,000)	(90,000,000)	(90,000,000)	(+15,000,000)	(-7,100,000)	(-----)
Operating loans.....	18 (300,000,000)	18 (300,000,000)	18 (300,000,000)	18 (350,000,000)	(+50,000,000)	(+50,000,000)	(+50,000,000)
Total, direct loan account.....	(375,000,000)	(397,100,000)	(390,000,000)	(440,000,000)	(+45,000,000)	(+42,900,000)	(+50,000,000)
Rural water and waste disposal grants.....	20,000,000	26,000,000	26,000,000	26,000,000	+6,000,000		
Rural housing direct loan account.....	2,500,000	(19)	(19)	(19)	-2,500,000		
Rural housing insurance fund.....	100,000,000				-100,000,000		
Rural housing grants.....		4,000,000				-4,000,000	
Rural housing for domestic farm labor.....	3,000,000	3,000,000	3,000,000	3,000,000			
Rural renewal.....	1,200,000	1,200,000	1,200,000	1,200,000			
Salaries and expenses.....	29 49,661,000	51,600,000	29 51,057,000	29 51,000,000	+1,339,000	-600,000	-57,000
Total, Farmers Home Administration.....	176,361,000	85,800,000	81,257,000	81,200,000	-95,161,000	-4,600,000	-57,000
Total, title II, credit agencies:							
Loan authorizations.....	(837,000,000)	(702,100,000)	(852,000,000)	(932,000,000)	(+95,000,000)	(+229,900,000)	(+80,000,000)
Direct appropriation.....	188,563,000	98,002,000	93,459,000	93,502,000	-95,061,000	-4,500,000	+43,000

See footnotes at end of table, p. 69.



*Comparative statement of appropriations for 1966 and estimates and amounts recommended in bill for 1967—Continued*

Item	Appropriations, 1966 (adjusted)	Budget esti- mates, 1967	Recommended in House bill for 1967	Amount recom- mended by Senate com- mittee for 1967	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations 1966 (adjusted)	Budget esti- mates, 1967	House bill 1967
TITLE III—CORPORATIONS							
Federal Crop Insurance Corporation:							
Administrative and operating expenses:							
Appropriation.....	\$8,192,000	\$8,546,000	\$8,342,000	\$8,546,000	+\$354,000	-----	+\$204,000
Premium income.....	(4,000,000)	(4,000,000)	(4,150,000)	(4,000,000)	-----	-----	(-150,000)
Commodity Credit Corporation:							
Reimbursement for net realized losses.....	2,800,000,000	3,555,855,000	3,500,000,000	3,555,855,000	+755,855,000	-----	+55,855,000
Limitation on administrative expenses.....	(36,650,000)	(34,300,000)	(34,300,000)	(34,300,000)	(-2,350,000)	(-----)	(-----)
Public Law 480.....	1,658,000,000	1,617,000,000	1,617,000,000	1,617,000,000	-41,000,000	-----	-----
International Wheat Agreement.....	27,544,000	60,000,000	40,000,000	-----	-27,544,000	-\$60,000,000	-40,000,000
Bartered materials for supplemental stockpile.....	-----	13,000,000	-----	-----	-----	-13,000,000	-----
Total, title III, corporations.....	4,493,736,000	5,254,401,000	5,165,342,000	5,181,401,000	+687,665,000	-73,000,000	+16,059,000
TITLE IV—RELATED AGENCIES							
Farm Credit Administration:							
Limitation on administrative expenses.....	(3,018,000)	(3,032,000)	(3,032,000)	(3,032,000)	(+14,000)	(-----)	(-----)
National Commission on Food Marketing.....	1,500,000	-----	-----	-----	-1,500,000	-----	-----
National Advisory Commission on Food and Fiber.....	-----	645,000	350,000	600,000	+600,000	-45,000	+250,000
Total, title IV, related agencies.....	1,500,000	645,000	350,000	600,000	-900,000	-45,000	+250,000

Total appropriations:

Title I—General activities.....	1, 697, 649, 500	1, 669, 590, 000	1, 616, 376, 000	+78, 390, 800	+106, 450, 300	+159, 164, 300
Title II—Credit agencies.....	188, 563, 000	98, 002, 000	93, 459, 000	-95, 061, 000	-4, 500, 000	+43, 000
Title III—Corporations.....	4, 493, 736, 000	5, 254, 401, 000	5, 165, 342, 000	+687, 665, 000	-73, 000, 000	+16, 059, 000
Title IV—Related agencies.....	1, 500, 000	645, 000	350, 000	-900, 000	-45, 000	+250, 000
Grand total.....	6, 381, 448, 500	7, 022, 638, 000	6, 876, 027, 000	+670, 094, 800	+23, 905, 300	+175, 516, 300

<sup>1</sup> Includes pay supplemental, 1966.  
<sup>2</sup> In addition, a transfer and merger of \$18,100,000 from sec. 32 funds was authorized in 1966. Transfer of \$25,000,000 from sec. 32 funds requested and approved for 1967.  
<sup>3</sup> In addition, reappropriation of \$2,000,000 proposed and approved for special fund.  
<sup>4</sup> Proposed deletion of dollar appropriation and insertion of language to authorize use of specific foreign currencies (\$23,788,000 equivalent).  
<sup>5</sup> In addition, \$400,000 transferred from sec. 32 funds.  
<sup>6</sup> In addition, \$53,000,000 transfer from sec. 32 funds authorized, but changed to direct appropriation by the Senate.  
<sup>7</sup> In addition, \$45,000,000 transfer from sec. 32 funds provided.  
<sup>8</sup> In addition, a reappropriation of \$20,000,000 of prior year funds authorized.  
<sup>9</sup> 1967 budget proposal to transfer \$150,000,000 from sec. 32 funds approved by House and changed by Senate to \$100,000,000 direct appropriation, plus \$25,000,000 reappropriation.  
<sup>10</sup> In addition, transfer of \$3,117,000 from sec. 32 funds requested and approved.  
<sup>11</sup> In addition, transfer of \$87,495,000 from CCC fund authorized.

<sup>12</sup> In addition, transfer of \$77,545,000 from CCC fund requested and \$75,803,600 approved by House and increased to \$77,545,000 by Senate committee.  
<sup>13</sup> Includes \$60,000,000 reserve authorization.  
<sup>14</sup> Includes \$72,500,000 reserve authorization inserted by House but stricken by Senate committee.  
<sup>15</sup> Includes \$15,000,000 reserve authorization.  
<sup>16</sup> Includes \$8,000,000 reserve authorization inserted by House but stricken by Senate committee.  
<sup>17</sup> Includes estimate of \$7,100,000 for soil and water loans for Appalachia.  
<sup>18</sup> Includes \$50,000,000 reserve authorization approved by House but stricken by Senate committee.  
<sup>19</sup> Authorization of \$15,000,000 to be used from funds deposited in the rural housing direct loan account approved.  
<sup>20</sup> In addition, not to exceed \$500,000 of the funds from the various programs administered by this agency may be transferred to this appropriation for temporary field employment, plus \$2,250,000 transfer from Insurance fund.





Calendar No. 1335

89TH CONGRESS  
2D SESSION

# H. R. 14596

[Report No. 1370]

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IN THE SENATE OF THE UNITED STATES

APRIL 27, 1966

Read twice and referred to the Committee on Appropriations

JULY 12, 1966

Reported by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*  
3   That the following sums are appropriated, out of any money  
4   in the Treasury not otherwise appropriated, for the Depart-  
5   ment of Agriculture and related agencies for the fiscal  
6   year ending June 30, 1967, and for other purposes; namely:



## DEPARTMENT OF AGRICULTURE

## TITLE I—GENERAL ACTIVITIES

## AGRICULTURAL RESEARCH SERVICE

## SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*. That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$20,000, except for six buildings to be constructed or improved at a cost not to exceed

1 \$45,000 each, and the cost of altering any one building  
2 during the fiscal year shall not exceed \$7,500 or 7.5 per  
3 centum of the cost of the building, whichever is greater:  
4 *Provided further*, That the limitations on alterations con-  
5 tained in this Act shall not apply to a total of \$100,000  
6 for facilities at Beltsville, Maryland:

7       Research: For research and demonstrations on the pro-  
8 duction and utilization of agricultural products; agricultural  
9 marketing and distribution, not otherwise provided for; home  
10 economics or nutrition and consumer use of agricultural and  
11 associated products; and related research and services; and  
12 for acquisition of land by donation, exchange, or purchase at  
13 a nominal cost not to exceed \$100; ~~\$120,673,000~~ \$123,-  
14 844,600, and in addition not to exceed \$25,000,000 from  
15 funds available under section 32 of the Act of August 24,  
16 1935, pursuant to Public Law 88-250 shall be transferred  
17 to and merged with this appropriation, of which ~~\$10,619,000~~  
18 \$11,869,000 shall remain available until expended for con-  
19 struction and improvement of facilities without regard to  
20 limitations contained herein, and ~~\$5,401,300~~ \$3,965,700  
21 shall be used to continue research activities scheduled for  
22 reduction or elimination in fiscal years 1966 and 1967:  
23 *Provided*, That the limitations contained herein shall not  
24 apply to replacement of buildings needed to carry out the



1 Act of April 24, 1948 (21 U.S.C. 113a) : *Provided further,*  
2 *That none of the funds appropriated in this Act shall be used*  
3 *to formulate a budget estimate for fiscal 1968 of more than*  
4 *\$15,000,000 for research to be financed by transfer from*  
5 *funds available under section 32 of the Act of August 24,*  
6 *1935, and pursuant to Public Law 88-25;*

7 Plant and animal disease and pest control: For opera-  
8 tions and measures, not otherwise provided for, to control  
9 and eradicate pests and plant and animal diseases and for  
10 carrying out assigned inspection, quarantine, and regulatory  
11 activities, as authorized by law, including expenses pursuant  
12 to the Act of February 28, 1947, as amended (21 U.S.C.  
13 114b-c), ~~\$76,764,000~~ \$81,498,200 of which \$1,500,000  
14 shall be apportioned for use pursuant to section 3679 of the  
15 Revised Statutes, as amended, for the control of outbreaks of  
16 insects and plant diseases to the extent necessary to meet  
17 emergency conditions: *Provided*, That no funds shall be used  
18 to formulate or administer a brucellosis eradication program  
19 for the current fiscal year that does not require minimum  
20 matching by any State of at least 40 per centum: *Provided*  
21 *further, That \$100,000 of the amount appropriated by this*  
22 *paragraph shall remain available until expended for the*  
23 *planning of facilities without regard to limitations placed*  
24 *herein: Provided further, That, in addition, in emergencies*

1 which threaten the livestock or poultry industries of the coun-  
2 try, the Secretary may transfer from other appropriations  
3 or funds available to the agencies or corporations of  
4 the Department such sums as he may deem necessary,  
5 to be available only in such emergencies for the arrest and  
6 eradication of foot-and-mouth disease, rinderpest, contagious  
7 pleuropneumonia, or other contagious or infectious diseases  
8 of animals, or European fowl pest and similar diseases in  
9 poultry, and for expenses in accordance with the Act of  
10 February 28, 1947, as amended, and any unexpended bal-  
11 ances of funds transferred under this head in the next pre-  
12 ceding fiscal year shall be merged with such transferred  
13 amounts;

14 Special fund: To provide for additional labor, sub-  
15 professional and junior scientific help to be employed under  
16 contracts and cooperative agreements to strengthen the work  
17 at research installations in the field, not more than  
18 \$2,000,000 of the amount appropriated under this head for  
19 the previous fiscal year may be used by the Administrator  
20 of the Agricultural Research Service in departmental re-  
21 search programs in the current fiscal year, the amount so  
22 used to be transferred to and merged with the appropria-  
23 tion otherwise available under "Salaries and expenses, Re-  
24 search".



1 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY  
2 PROGRAM)

3 For payments, in foreign currencies owed to or owned  
4 by the United States for market development research au-  
5 thorized by section 104 (a) and for agricultural and forestry  
6 research and other functions related thereto authorized by  
7 section 104 (k) of the Agricultural Trade Development and  
8 Assistance Act of 1954, as amended (7 U.S.C. 1704 (a)  
9 (k) ), to remain available until expended, ~~\$3,000,000~~  
10 *\$6,000,000: Provided*, That this appropriation shall be avail-  
11 able in addition to other appropriations for these purposes,  
12 for payments in the foregoing currencies: *Provided further*,  
13 That funds appropriated herein shall be used for payments in  
14 such foreign currencies as the Department determines are  
15 needed and can be used most effectively to carry out the pur-  
16 poses of this paragraph: *Provided further*, That not to exceed  
17 \$25,000 of this appropriation shall be available for payments  
18 in foreign currencies for expenses of employment pursuant  
19 to the second sentence of section 706 (a) of the Organic  
20 Act of 1944 (5 U.S.C. 574), as amended by section 15 of  
21 the Act of August 2, 1946 (5 U.S.C. 55a).

## COOPERATIVE STATE RESEARCH SERVICE

## PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry and other research, for facilities, and for other expenses, including ~~\$48,113,000~~ \$53,- 113,000, to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; ~~\$2,500,000~~ \$3,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7) ; \$2,000,000 in addition to funds otherwise available for contracts and grants for scientific research under the Act of August 4, 1965 (79 Stat. 431) ; \$2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90) ; \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and ~~\$304,000~~ \$317,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employ-



1 ment pursuant to the second sentence of section 706 (a)  
 2 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
 3 exceed \$50,000 for employment under section 15 of the Act  
 4 of August 2, 1946 (5 U.S.C. 55a) ; in all, ~~\$55,227,000~~  
 5 ~~\$60,740,000~~.

## 6 EXTENSION SERVICE

### 7 COOPERATIVE EXTENSION WORK, PAYMENTS AND

### 8 EXPENSES

9 Payments to States and Puerto Rico: For payments for  
 10 cooperative agricultural extension work under the Smith-  
 11 Lever Act, as amended by the Act of June 26, 1953, the  
 12 Act of August 11, 1955, and the Act of October 5, 1962 (7  
 13 U.S.C. 341-349), to be distributed under sections 3 (b)  
 14 and 3 (c) of the Act, ~~\$74,347,500~~ ~~\$77,347,500~~ (*except*  
 15 *\$2,800,000 which may be distributed under section 3(d) of*  
 16 *the Act*) ; and payments and contracts for such work under  
 17 section 204 (b) -205 of the Agricultural Marketing Act of  
 18 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, ~~\$75,917,~~  
 19 ~~500~~ ~~\$78,917,500~~: *Provided*, That funds hereby appropri-  
 20 ated pursuant to section 3 (c) of the Act of June 26, 1953,  
 21 shall not be paid to any State or Puerto Rico prior to avail-  
 22 ability of an equal sum from non-Federal sources for expend-  
 23 iture during the current fiscal year.

24 Retirement and Employees' Compensation costs for ex-  
 25 tension agents: For cost of employer's share of Federal re-

1 tirement and for reimbursement for benefits paid from the  
 2 Employees' Compensation Fund for cooperative extension  
 3 employees, \$8,139,500.

4 Penalty mail: For costs of penalty mail for cooperative  
 5 extension agents and State extension directors, \$3,113,000.

6 Federal Extension Service: For administration of the  
 7 Smith-Lever Act, as amended by the Act of June 26, 1953,  
 8 the Act of August 11, 1955, and the Act of October 5, 1962  
 9 (7 U.S.C. 341-349), and extension aspects of the Agricul-  
 10 tural Marketing Act of 1946 (7 U.S.C. 1621-1627), and  
 11 to coordinate and provide program leadership for the exten-  
 12 sion work of the Department and the several States and  
 13 insular possessions, \$2,654,000.

#### 14 FARMER COOPERATIVE SERVICE

##### 15 SALARIES AND EXPENSES

16 For necessary expenses to carry out the Act of July 2,  
 17 1926 (7 U.S.C. 451-457), and for conducting research re-  
 18 lating to the economic and marketing aspects of farmer co-  
 19 operatives, as authorized by the Agricultural Marketing  
 20 Act of 1946 (7 U.S.C. 1621-1627), \$1,175,000.

#### 21 SOIL CONSERVATION SERVICE

##### 22 CONSERVATION OPERATIONS

23 For necessary expenses for carrying out the provisions  
 24 of the Act of April 27, 1935 (16 U.S.C. 590a-590f) in-



cluding preparation of conservation plans and establishment  
of measures to conserve soil and water (including farm  
irrigation and land drainage and such special measures as  
may be necessary to prevent floods and the siltation of reser-  
voirs) ; operation of conservation nurseries; classification and  
mapping of soil; dissemination of information; purchase and  
erection or alteration of permanent buildings; and operation  
and maintenance of aircraft, \$109,235,000: *Provided*, That  
the cost of any permanent building purchased, erected, or  
as improved, exclusive of the cost of constructing a water  
supply or sanitary system and connecting the same to any  
such building and with the exception of buildings acquired  
in conjunction with land being purchased for other purposes,  
shall not exceed \$2,500, except for one building to be con-  
structed at a cost not to exceed \$25,000 and eight buildings  
to be constructed or improved at a cost not to exceed  
\$15,000 per building and except that alterations or im-  
provements to other existing permanent buildings costing  
\$2,500 or more may be made in any fiscal year in an  
amount not to exceed \$500 per building: *Provided further*,  
That no part of this appropriation shall be available for the  
construction of any such building on land not owned by the  
Government: *Provided further*, That no part of this appro-  
priation may be expended for soil and water conservation  
operations under the Act of April 27, 1935 (16 U.S.C.

1 590a-590f) in demonstration projects: *Provided further*,  
2 That this appropriation shall be available for field employ-  
3 ment pursuant to the second sentence of section 706 (a) of  
4 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
5 \$5,000 shall be available for employment under section 15  
6 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided*  
7 *further*, That qualified local engineers may be temporarily  
8 employed at per diem rates to perform the technical plan-  
9 ning work of the service.

#### 10 WATERSHED PLANNING

11 For necessary expenses for small watershed investiga-  
12 tions and planning, in accordance with the Watershed Pro-  
13 tection and Flood Prevention Act, as amended (16 U.S.C.  
14 1001-1008), to remain available until expended, \$6,142,-  
15 000, with which shall be merged the unexpended balances  
16 of funds heretofore appropriated under this head: *Provided*,  
17 That this appropriation shall be available for field employ-  
18 ment pursuant to the second sentence of section 706 (a)  
19 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
20 exceed \$50,000 shall be available for employment under  
21 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

#### 22 WATERSHED PROTECTION

23 For necessary expenses to conduct river basin surveys  
24 and investigations, and research, and to carry out preventive  
25 measures, including, but not limited to, engineering opera-



1 tions, methods of cultivation, the growing of vegetation, and  
 2 changes in use of land, in accordance with the Watershed  
 3 Protection and Flood Prevention Act, approved August 4,  
 4 1954, as amended (16 U.S.C. 1001-1008), and the pro-  
 5 visions of the Act of April 27, 1935 (16 U.S.C. 590a-f),  
 6 to remain available until expended, ~~\$67,020,000~~ \$70,000,-  
 7 000, with which shall be merged the unexpended balances  
 8 of funds heretofore appropriated or transferred to the De-  
 9 partment for watershed protection purposes: *Provided*, That  
 10 this appropriation shall be available for field employment  
 11 pursuant to the second sentence of section 706 (a) of the  
 12 Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
 13 \$100,000 shall be available for employment under section  
 14 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*  
 15 *further*, That not to exceed \$5,000,000, together with the  
 16 unobligated balance of funds previously appropriated for  
 17 loans and related expense, shall be available for such  
 18 purposes.

#### 19 FLOOD PREVENTION

20 For necessary expenses, in accordance with the Flood  
 21 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,  
 22 16 U.S.C. 1006a), as amended and supplemented, and in  
 23 accordance with the provisions of laws relating to the activi-  
 24 ties of the Department, to perform works of improvement,  
 25 including funds for field employment pursuant to the second

1 sentence of section 706 (a) of the Organic Act of 1944 (5  
2 U.S.C. 574), and not to exceed \$100,000 for employment  
3 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
4 55a), to remain available until expended; \$25,654,000,  
5 with which shall be merged the unexpended balances of  
6 funds heretofore appropriated or transferred to the Depart-  
7 ment for flood prevention purposes: *Provided*, That not to  
8 exceed \$200,000, together with the unobligated balance of  
9 funds previously appropriated for loans and related expense,  
10 shall be available for such purposes.

11 GREAT PLAINS CONSERVATION PROGRAM

12 For necessary expenses to carry into effect a program of  
13 conservation in the Great Plains area, pursuant to section  
14 16 (b) of the Soil Conservation and Domestic Allotment  
15 Act, as added by the Act of August 7, 1956 (16 U.S.C.  
16 590p), ~~\$16,112,000~~ \$18,500,000, to remain available until  
17 expended.

18 RESOURCE CONSERVATION AND DEVELOPMENT

19 For necessary expenses in planning and carrying out  
20 projects for resource conservation and development, and for  
21 sound land use, pursuant to the provisions of section 32 (e)  
22 of title III of the Bankhead-Jones Farm Tenant Act, as  
23 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions  
24 of the Act of April 27, 1935 (16 U.S.C. 590a-f),



1 ~~\$4,347,000~~ \$4,574,000, to remain available until expended:  
 2 *Provided*, That not to exceed \$500,000 of such amount shall  
 3 be available for loans and related expenses under subtitle A  
 4 of the Consolidated Farmers Home Administration Act of  
 5 1961, as amended: *Provided further*, That this appropria-  
 6 tion shall be available for field employment pursuant to the  
 7 second sentence of section 706 (a) of the Organic Act of  
 8 1944 (5 U.S.C. 574), and not to exceed \$50,000 shall be  
 9 available for employment under section 15 of the Act of  
 10 August 2, 1946 (5 U.S.C. 55a).

# 11 ECONOMIC RESEARCH SERVICE

## 12 SALARIES AND EXPENSES

13 For necessary expenses of the Economic Research  
 14 Service in conducting economic research and service relating  
 15 to agricultural production, marketing, and distribution, as  
 16 authorized by the Agricultural Marketing Act of 1946 (7  
 17 U.S.C. 1621-1627), and other laws, including economics  
 18 of marketing; analyses relating to farm prices, income and  
 19 population, and demand for farm products, use of resources  
 20 in agriculture, adjustments, costs and returns in farming, and  
 21 farm finance; and for analyses of supply and demand for  
 22 farm products in foreign countries and their effect on pros-  
 23 pects for United States exports, progress in economic de-  
 24 velopment and its relation to sales of farm products, assembly  
 25 and analysis of agricultural trade statistics and analysis of

1 international financial and monetary programs and policies  
2 as they affect the competitive position of United States farm  
3 products; ~~\$12,032,000~~ \$12,182,000: *Provided*, That not less  
4 than \$350,000 of the funds contained in this appropria-  
5 tion shall be available to continue to gather statistics and  
6 conduct a special study on the price spread between the  
7 farmer and consumer: *Provided further*, That this appro-  
8 priation shall be available for employment pursuant to the  
9 second sentence of section 706 (a) of the Organic Act of  
10 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be  
11 available for employment under section 15 of the Act of  
12 August 2, 1946 (5 U.S.C. 55a) : *Provided, further*, That  
13 not less than \$145,000 of the funds contained in this appro-  
14 priation shall be available for analysis of statistics and related  
15 facts on foreign production and full and complete information  
16 on methods used by other countries to move farm commod-  
17 ities in world trade on a competitive basis.

#### 18 STATISTICAL REPORTING SERVICE

##### 19 SALARIES AND EXPENSES

20 For necessary expenses of the Statistical Reporting  
21 Service in conducting statistical reporting and service  
22 work, including crop and livestock estimates, statistical co-  
23 ordination and improvements, and marketing surveys, as  
24 authorized by the Agricultural Marketing Act of 1946 (7  
25 U.S.C. 1621-1627) and other laws, ~~\$13,272,000~~ \$13,575,-



1 000: *Provided*, That no part of the funds herein appropri-  
 2 ated shall be available for any expense incident to publishing  
 3 estimates of apple production for other than the commercial  
 4 crop: *Provided further*, That this appropriation shall be  
 5 available for employment pursuant to the second sentence of  
 6 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),  
 7 and not to exceed \$40,000 shall be available for employment  
 8 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
 9 55a).

10 CONSUMER AND MARKETING SERVICE  
 11 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY  
 12 PROGRAMS

13 For expenses necessary to carry on services related to  
 14 consumer protection, agricultural marketing and distribution.  
 15 and regulatory programs, other than Packers and Stockyards  
 16 Act, as authorized by law, and for administration and co-  
 17 ordination of payments to States; including field employment  
 18 pursuant to section 706 (a) of the Organic Act of 1944 (5  
 19 U.S.C. 574), and not to exceed \$25,000 for employment  
 20 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
 21 55a), in carrying out section 201 (a) to 201 (d), inclusive.  
 22 of title II of the Agricultural Adjustment Act of 1938 (7  
 23 U.S.C. 1291) and section 203 (j) of the Agricultural Mar-  
 24 keting Act of 1946; ~~\$82,757,000~~ \$83,581,000.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623 (b) ), \$1,750,000.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), ~~\$50,000,000~~ \$105,000,000, and in addition ~~\$53,000,000~~ shall be transferred from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612e), and merged with this appropriation.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751-1760), ~~\$157,000,000~~ \$167,000,000, including \$2,000,000 for special assistance to needy schools, as authorized by law: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for purchase and distribution of agricultural commodities and



1 other foods pursuant to section 6 of the National School  
2 Lunch Act.

### 3 FOOD STAMP PROGRAM

4 For necessary expenses of the food stamp program pur-  
5 suant to the Food Stamp Act of 1964, ~~\$150,000,000, to be~~  
6 ~~provided from funds available under section 32 of the Act~~  
7 ~~of August 24, 1935 (7 U.S.C. 612c)~~ \$100,000,000, and in  
8 addition \$25,000,000 appropriated under this head in Pub-  
9 lic Law 89-316, approved November 2, 1965, shall be trans-  
10 ferred to and merged with this appropriation: Provided,  
11 That no funds available in this Act shall be used to plan or  
12 formulate a food stamp program for fiscal 1968 to be financed  
13 in whole or in part from funds available under section 32 of  
14 the Act of August 24, 1935 (7 U.S.C. 612c).

### 15 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

#### 16 (SECTION 32)

17 No funds available under section 32 of the Act of Au-  
18 gust 24, 1935 (7 U.S.C. 612c) shall be used for any pur-  
19 pose other than commodity program expenses as authorized  
20 therein, and other related operating expenses, except for  
21 (1) transfers to the Department of the Interior as authorized  
22 by the Fish and Wildlife Act of August 8, 1956, (2) trans-  
23 fers otherwise provided in this Act, and (3) not more than  
24 \$2,924,000 for formulation and administration of marketing

1 agreements and orders pursuant to the Agricultural Mar-  
2 keting Agreement Act of 1937, as amended, and the Agri-  
3 cultural Act of 1961.

4 FOREIGN AGRICULTURAL SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses for the Foreign Agricultural  
7 Service, including carrying out title VI of the Agricultural  
8 Act of 1954 (7 U.S.C. 1761-1768), market development  
9 activities abroad, and for enabling the Secretary to coordi-  
10 nate and integrate activities of the Department in connection  
11 with foreign agricultural work, including not to exceed \$35,-  
12 000 for representation allowances and for expenses pursuant  
13 to section 8 of the Act approved August 3, 1956 (7 U.S.C.  
14 1766), ~~\$21,088,000~~ \$21,349,000: *Provided*, That not less  
15 than \$255,000 of the funds contained in this appropriation  
16 shall be available to obtain statistics and related facts on for-  
17 eign production and full and complete information on meth-  
18 ods used by other countries to move farm commodities in  
19 world trade on a competitive basis: *Provided further*, That,  
20 in addition, not to exceed \$3,117,000 of the funds appro-  
21 priated by section 32 of the Act of August 24, 1935, as  
22 amended (7 U.S.C. 612c), shall be merged with this appro-  
23 priation and shall be available for all expenses of the Foreign  
24 Agricultural Service.



## 1 COMMODITY EXCHANGE AUTHORITY

## 2 SALARIES AND EXPENSES

3 For necessary expenses to carry into effect the provi  
 4 sions of the Commodity Exchange Act, as amended (7  
 5 U.S.C. 1-17a), \$1,398,000.

## 6 AGRICULTURAL STABILIZATION AND CONSERVATION

## 7 SERVICE

## 8 EXPENSES, AGRICULTURAL STABILIZATION AND

## 9 CONSERVATION SERVICE

10 For necessary administrative expenses of the Agricul-  
 11 tural Stabilization and Conservation Service, including ex-  
 12 penses to formulate and carry out programs authorized by  
 13 title III of the Agricultural Adjustment Act of 1938, as  
 14 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as  
 15 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),  
 16 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and  
 17 Domestic Allotment Act, as amended (16 U.S.C. 590g-  
 18 590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil  
 19 Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816);  
 20 and laws pertaining to the Commodity Credit Corporation,  
 21 ~~\$128,558,000~~ \$130,424,500: *Provided*, That, in addition,  
 22 not to exceed ~~\$75,803,600~~ \$77,545,000 may be transferred  
 23 to and merged with this appropriation from the Commodity  
 24 Credit Corporation fund (including not to exceed \$30,008,-  
 25 000 under the limitation on Commodity Credit Corporation

1 administrative expenses) : *Provided further*, That other  
2 funds made available to the Agricultural Stabilization and  
3 Conservation Service for authorized activities may be ad-  
4 vanced to and merged with this appropriation: *Provided*  
5 *further*, That no part of the funds appropriated or made  
6 available under this Act shall be used (1) to influence the  
7 vote in any referendum; (2) to influence agricultural legis-  
8 lation, except as permitted in 18 U.S.C. 1913; or (3) for  
9 salaries or other expenses of members of county and com-  
10 munity committees established pursuant to section 8 (b) of  
11 the Soil Conservation and Domestic Allotment Act, as  
12 amended, for engaging in any activities other than advisory  
13 and supervisory duties and delegated program functions pre-  
14 scribed in administrative regulations.

15                                   SUGAR ACT PROGRAM

16       For necessary expenses to carry into effect the provisions  
17 of the Sugar Act of 1948 (7 U.S.C. 1101-1161),  
18 \$80,000,000, to remain available until June 30 of the next  
19 succeeding fiscal year.

20                                   AGRICULTURAL CONSERVATION PROGRAM

21       For necessary expenses to carry into effect the program  
22 authorized in sections 7 to 15, 16 (a), and 17 of the Soil  
23 Conservation and Domestic Allotment Act, approved Febru-  
24 ary 29, 1936, as amended (16 U.S.C. 590g-590 (o), 590p



1 (a), and 590q), including not to exceed \$6,000 for the  
2 preparation and display of exhibits, including such displays  
3 at State, interstate, and international fairs within the United  
4 States, \$220,000,000, to remain available until December 31  
5 of the next succeeding fiscal year for compliance with the  
6 programs of soil-building and soil- and water-conserving  
7 practices authorized under this head in the Department of  
8 Agriculture and Related Agencies Appropriation Acts,  
9 1965 and 1966, carried out during the period July 1, 1964,  
10 to December 31, 1966, inclusive: *Provided*, That none of  
11 the funds herein appropriated shall be used to pay the salaries  
12 or expenses of any regional information employees or any  
13 State information employees, but this shall not preclude the  
14 answering of inquiries or supplying of information at the  
15 county level to individual farmers: *Provided further*, That no  
16 portion of the funds for the current year's program may be  
17 utilized to provide financial or technical assistance for drain-  
18 age on wetlands now designated as Wetland Types 3 (III),  
19 4 (IV), and 5 (V) in United States Department of the In-  
20 terior, Fish and Wildlife Service Circular 39, Wetlands of  
21 the United States, 1956: *Provided further*, That necessary  
22 amounts shall be available for administrative expenses in con-  
23 nection with the formulation and administration of the 1967  
24 program of soil-building and soil- and water-conserving prac-  
25 tices, including related wildlife conserving practices, under

1 the Act of February 29, 1936, as amended (amounting to  
2 \$220,000,000, excluding administration, except that no  
3 participant shall receive more than \$2,500, except where  
4 the participants from two or more farms or ranches join  
5 to carry out approved practices designed to conserve or im-  
6 prove the agricultural resources of the community) : *Pro-*  
7 *vided further*, That not to exceed 5 per centum of the alloca-  
8 tion for the current year's agricultural conservation pro-  
9 gram for any county may, on the recommendation of  
10 such county committee and approval of the State committee,  
11 be withheld and allotted to the Soil Conservation Service for  
12 services of its technicians in formulating and carrying out  
13 the agricultural conservation program in the participating  
14 counties, and shall not be utilized by the Soil Conservation  
15 Service for any purpose other than technical and other assist-  
16 ance in such counties, and in addition, on the recommenda-  
17 tion of such county committee and approval of the State  
18 committee, not to exceed 1 per centum may be made avail-  
19 able to any other Federal, State, or local public agency for  
20 the same purpose and under the same conditions: *Provided*  
21 *further*, That for the current year's program \$2,500,000  
22 shall be available for technical assistance in formulating and  
23 carrying out agricultural conservation practices: *Provided*  
24 *further*, That such amounts shall be available for the pur-  
25 chase of seeds, fertilizers, lime, trees, or any other farming



1 material, or any soil-terracing services, and making grants  
2 thereof to agricultural producers to aid them in carrying out  
3 farming practices approved by the Secretary under programs  
4 provided for herein: *Provided further*, That no part of any  
5 funds available to the Department, or any bureau, office,  
6 corporation, or other agency constituting a part of such  
7 Department, shall be used in the current fiscal year for the  
8 payment of salary or travel expenses of any person who has  
9 been convicted of violating the Act entitled "An Act to pre-  
10 vent pernicious political activities", approved August 2,  
11 1939, as amended, or who has been found in accordance  
12 with the provisions of title 18, United States Code, section  
13 1913, to have violated or attempted to violate such section  
14 which prohibits the use of Federal appropriations for the  
15 payment of personal services or other expenses designed to  
16 influence in any manner a Member of Congress to favor or  
17 oppose any legislation or appropriation by Congress except  
18 upon request of any Member or through the proper official  
19 channels.

20 APPALACHIAN REGION CONSERVATION PROGRAM

21 For necessary expenses, not otherwise provided for, to  
22 carry into effect section 203 of the Appalachian Regional  
23 Development Act of 1965, ~~\$2,200,000~~ \$3,000,000, and in  
24 addition \$1,375,000 appropriated under this head in the  
25 Second Supplemental Appropriation Act, 1965, shall be

1 transferred to and merged with this appropriation, to remain  
2 available until expended.

### 3 CROPLAND CONVERSION PROGRAM

4 For necessary expenses to promote the conservation and  
5 economic use of land pursuant to the provisions of section  
6 16 (e) of the Soil Conservation and Domestic Allotment Act  
7 (16 U.S.C. 590h, 590p), as amended, ~~\$7,500,000~~ \$10,-  
8 000,000, to remain available until expended.

### 9 CROPLAND ADJUSTMENT PROGRAM

10 For necessary expenses to carry into effect a Cropland  
11 Adjustment Program as authorized by the Food and Agricul-  
12 ture Act of 1965, including reimbursement to Commodity  
13 Credit Corporation, ~~\$90,000,000~~ \$50,000,000: *Provided,*  
14 That agreements entered into during the fiscal year 1967  
15 shall not require payments during the calendar year 1967  
16 exceeding \$80,000,000.

### 17 CONSERVATION RESERVE PROGRAM

18 For necessary expenses to carry out a conservation  
19 reserve program as authorized by subtitles B and C of the  
20 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and  
21 1816), and to carry out liquidation activities for the acreage  
22 reserve program, to remain available until expended,  
23 \$140,000,000, with which may be merged the unexpended  
24 balances of funds heretofore appropriated for soil bank pro-  
25 grams; *Provided,* That no part of these funds shall be paid



1 on any contract which is illegal under the law due to the  
2 division of lands for the purpose of evading limits on annual  
3 payments to participants.

4                   EMERGENCY CONSERVATION MEASURES

5       For emergency conservation measures, to be used for  
6 the same purposes and subject to the same conditions as  
7 funds appropriated under this head in the Third Supple-  
8 mental Appropriation Act, 1957, to remain available until  
9 expended, \$5,000,000, with which shall be merged the  
10 unexpended balances of funds heretofore appropriated for  
11 emergency conservation measures.

12               RURAL COMMUNITY DEVELOPMENT SERVICE

13                       SALARIES AND EXPENSES

14       For necessary expenses, not otherwise provided for, of  
15 the Rural Community Development Service in providing  
16 leadership, coordination, liaison, and related services in the  
17 rural areas development activities of the Department,  
18 ~~\$637,000~~ \$2,500,000: *Provided*, That not to exceed \$3,000  
19 shall be available for employment under section 15 of the  
20 Act of August 2, 1946 (5 U.S.C. 55a).

21               OFFICE OF THE INSPECTOR GENERAL

22                       SALARIES AND EXPENSES

23       For necessary expenses of the Office of the Inspector  
24 General, including employment pursuant to the second sen-  
25 tence of section 706 (a) of the Organic Act of 1944 (5

1 U.S.C. 574) and not to exceed \$10,000 for employment  
 2 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
 3 55a), \$11,254,000.

#### 4 PACKERS AND STOCKYARDS ACT

5 For expenses necessary for administration of the Packers  
 6 and Stockyards Act, as authorized by law, including field  
 7 employment pursuant to section 706 (a) of the Organic Act  
 8 of 1944 (5 U.S.C. 574), ~~\$2,400,000~~ \$2,604,000.

#### 9 OFFICE OF THE GENERAL COUNSEL

##### 10 SALARIES AND EXPENSES

11 For necessary expenses, including payment of fees or  
 12 dues for the use of law libraries by attorneys in the field  
 13 service, \$4,325,000.

#### 14 OFFICE OF INFORMATION

##### 15 SALARIES AND EXPENSES

16 For necessary expenses of the Office of Information for  
 17 the dissemination of agricultural information and the coordi-  
 18 nation of informational work and programs authorized by  
 19 Congress in the Department, ~~\$1,826,000~~ \$1,851,000, of  
 20 which total appropriation not to exceed ~~\$537,000~~ \$562,000  
 21 may be used for farmers' bulletins, which shall be adapted to  
 22 the interests of the people of the different sections of the  
 23 country, an equal proportion of four-fifths of which shall be  
 24 available to be delivered to or sent out under the addressed  
 25 franks furnished by the Senators, Representatives, and Dele-



1 gates in Congress, as they shall direct (7 U.S.C. 417), and  
2 not less than two hundred and thirty-two thousand two hun-  
3 dred and fifty copies for the use of the Senate and House of  
4 Representatives of part 2 of the annual report of the Secre-  
5 tary (known as the Yearbook of Agriculture) as authorized  
6 by section 73 of the Act of January 12, 1895 (44 U.S.C.  
7 241) : *Provided*, That in the preparation of motion pictures  
8 or exhibits by the Department, this appropriation shall be  
9 available for employment pursuant to the second sentence of  
10 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),  
11 and not to exceed \$10,000 shall be available for employ-  
12 ment under section 15 of the Act of August 2, 1946 (5  
13 U.S.C. 55a).

14 NATIONAL AGRICULTURAL LIBRARY

15 SALARIES AND EXPENSES

16 For necessary expenses of the National Agricultural  
17 Library, ~~\$2,147,000~~ \$2,501,000: *Provided*, That this appro-  
18 priation shall be available for employment pursuant to the  
19 second sentence of section 706 (a) of the Organic Act of  
20 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be  
21 available for employment under section 15 of the Act of  
22 August 2, 1946 (5 U.S.C. 55a).

1                   OFFICE OF MANAGEMENT SERVICES

2                   SALARIES AND EXPENSES

3           For necessary expenses to enable the Office of Manage-  
4 ment Services to provide management support services to  
5 selected agencies and offices of the Department of Agricul-  
6 ture, \$2,600,000.

7                   GENERAL ADMINISTRATION

8                   SALARIES AND EXPENSES

9           For necessary expenses of the Office of the Secretary of  
10 Agriculture and for general administration of the Depart-  
11 ment of Agriculture, repairs and alterations, and other mis-  
12 cellaneous supplies and expenses not otherwise provided for  
13 and necessary for the practical and efficient work of the  
14 Department of Agriculture, \$3,959,000: *Provided*, That this  
15 appropriation shall be reimbursed from applicable appropria-  
16 tions for travel expenses incident to the holding of hearings as  
17 required by the Administrative Procedures Act (5 U.S.C.  
18 1001) : *Provided further*, That not to exceed \$2,500 of this  
19 amount shall be available for official reception and representa-  
20 tion expenses, not otherwise provided for, as determined by  
21 the Secretary.



## TITLE II—CREDIT AGENCIES

## RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

## LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, and to remain available without fiscal year limitation in accordance with section 3 (e) of said Act, as follows: Rural electrification program, ~~\$365,000,000~~ \$375,000,000, of which ~~\$72,500,000~~ shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone programs, ~~\$97,000,000~~ \$117,000,000, of which ~~\$6,000,000~~ shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

## SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), ~~\$12,202,000~~ \$12,302,000.

## FARMERS HOME ADMINISTRATION

## DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$90,000,000; and operating loans, ~~\$300,000,000~~ \$350,000,000, of which ~~\$50,000,000~~ shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

## RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306 (a) (2) and 306 (a) (6) of the Consolidated Farmers Home Administration Act of 1961, as amended, \$26,000,000.



1                   RURAL HOUSING DIRECT LOAN ACCOUNT

2           For direct loans and related advances pursuant to sec-  
3   tion 518 (d) of the Housing Act of 1949 (79 Stat. 500),  
4   \$15,000,000 shall be available from funds in the rural hous-  
5   ing direct loan account.

6                   RURAL HOUSING FOR DOMESTIC FARM LABOR

7           For financial assistance to public nonprofit organiza-  
8   tions for housing for domestic farm labor, pursuant to sec-  
9   tion 516 of the Housing Act of 1949, as amended (42  
10   U.S.C. 1486), \$3,000,000, to remain available until  
11   expended.

12                   RURAL RENEWAL

13           For necessary expenses, including administrative ex-  
14   penses, in carrying out rural renewal activities under section  
15   32 (e) of title III of the Bankhead-Jones Farm Tenant  
16   Act, as amended, \$1,200,000, to remain available until  
17   expended.

18                   SALARIES AND EXPENSES

19           For necessary expenses of the Farmers Home Adminis-  
20   tration, not otherwise provided for, in administering the  
21   programs authorized by the Consolidated Farmers Home  
22   Administration Act of 1961 (7 U.S.C. 1921-1990), as  
23   amended, title V of the Housing Act of 1949, as amended  
24   (42 U.S.C. 1471-1490), and the Rural Rehabilitation  
25   Corporation Trust Liquidation Act, approved May 3,

1 1950 (40 U.S.C. 440-444) ; ~~\$51,057,000~~ \$51,000,000,  
2 together with not more than \$2,250,000 of the charges col-  
3 lected in connection with the insurance of loans as authorized  
4 by section 309 (e) of the Consolidated Farmers Home  
5 Administration Act of 1961, as amended, and section  
6 514 (b) (3) of the Housing Act of 1949, as amended:  
7 *Provided*, That, in addition, not to exceed \$500,000 of the  
8 funds available for the various programs administered by  
9 this agency may be transferred to this appropriation for  
10 temporary field employment pursuant to the second sen-  
11 tence of section 706 (a) of the Organic Act of 1944 (5  
12 U.S.C. 574) to meet unusual or heavy workload increases:  
13 *Provided further*, That no part of any funds in this para-  
14 graph may be used to administer a program which makes  
15 rural housing grants pursuant to section 504 of the Housing  
16 Act of 1949, as amended.

### 17 TITLE III—CORPORATIONS

18 The following corporations and agencies are hereby  
19 authorized to make such expenditures, within the limits of  
20 funds and borrowing authority available to each such cor-  
21 poration or agency and in accord with law, and to make  
22 such contracts and commitments without regard to fiscal  
23 year limitations as provided by section 104 of the Govern-  
24 ment Corporation Control Act, as amended, as may be  
25 necessary in carrying out the programs set forth in the



1 budget for the current fiscal year for such corporation or  
2 agency, except as hereinafter provided:

3 **FEDERAL CROP INSURANCE CORPORATION**

4 **ADMINISTRATIVE AND OPERATING EXPENSES**

5 For administrative and operating expenses, ~~\$8,342,000~~  
6 ~~\$8,546,000~~.

7 **FEDERAL CROP INSURANCE CORPORATION FUND**

8 Not to exceed ~~\$4,150,000~~ ~~\$4,000,000~~ of administrative  
9 and operating expenses may be paid from premium income:  
10 *Provided*, That in the event the Federal Crop Insurance Cor-  
11 poration Fund is insufficient to meet indemnity payments and  
12 other charges against such Fund, not to exceed \$500,000  
13 may be borrowed from the Commodity Credit Corporation  
14 under such terms and conditions as the Secretary may pre-  
15 scribe, but repayment of such amount shall include interest  
16 at a rate not less than the cost of money to the Commodity  
17 Credit Corporation for a comparable period.

18 **COMMODITY CREDIT CORPORATION**

19 **REIMBURSEMENT FOR NET REALIZED LOSSES**

20 'To partially reimburse the Commodity Credit Corpora-  
21 tion for net realized losses sustained but not previously reim-  
22 bursed, pursuant to the Act of August 17, 1961 (15 U.S.C.  
23 713a-11, 713a-12), ~~\$3,500,000,000~~ ~~\$3,555,855,000~~: ~~Pro-~~  
24 ~~vided~~, That no funds appropriated by this Act shall be used  
25 to formulate or administer programs for the sale of agricul-

1 tural commodities pursuant to titles I or IV of Public Law  
2 480, 83rd Congress, as amended, to any nation which sells  
3 or furnishes or which permits ships or aircraft under its  
4 registry to transport to North Vietnam any equipment, ma-  
5 terials or commodities, so long as North Vietnam is governed  
6 by a Communist regime: *Provided, That unless the Presi-*  
7 *dent determines that the national interest requires other-*  
8 *wise, no funds appropriated by this Act shall be used*  
9 *to formulate or administer programs for the sale of agricul-*  
10 *tural commodities pursuant to titles I or IV of Public Law*  
11 *480, Eighty-third Congress, as amended, to any nation which*  
12 *sells or furnishes or which permits ships or aircraft under its*  
13 *registry to transport to North Vietnam any equipment, mate-*  
14 *rials, or commodities, so long as hostilities are in progress*  
15 *in Vietnam.*

#### 16 LIMITATION ON ADMINISTRATIVE EXPENSES

17 Nothing in this Act shall be so construed as to prevent  
18 the Commodity Credit Corporation from carrying out any  
19 activity or any program authorized by law: *Provided, That*  
20 *not to exceed \$34,300,000 shall be available for adminis-*  
21 *trative expenses of the Corporation: Provided further, That*  
22 *\$945,000 of this authorization shall be available only to*  
23 *expand and strengthen the sales program of the Corporation*  
24 *pursuant to authority contained in the Corporation's charter:*  
25 *Provided further, That not less than 7 per centum of this*



1 authorization shall be placed in reserve to be apportioned  
2 pursuant to section 3679 of the Revised Statutes, as amended,  
3 for use only in such amounts and at such times as may be-  
4 come necessary to carry out program operations: *Provided*  
5 *further*, That all necessary expenses (including legal and  
6 special services performed on a contract or fee basis, but not  
7 including other personal services) in connection with the  
8 acquisition, operation, maintenance, improvement, or dispo-  
9 sition of any real or personal property belonging to the Cor-  
10 poration or in which it has an interest, including expenses  
11 of collections of pledged collateral, shall be considered as non-  
12 administrative expenses for the purposes hereof.

13 PUBLIC LAW 480

14 For expenses during fiscal year 1967, not otherwise  
15 recoverable, and unrecovered prior years' costs, including  
16 interest thereon, under the Agricultural Trade Development  
17 and Assistance Act of 1954, as amended (7 U.S.C. 1701-  
18 1709, 1721-1724, 1731-1736), to remain available until  
19 expended, as follows: (1) Sale of surplus agricultural com-  
20 modities for foreign currencies pursuant to title I of said Act,  
21 \$1,040,000,000; (2) commodities disposed of for emergency  
22 famine relief to friendly peoples pursuant to title II of said  
23 Act, \$200,000,000; and (3) long-term supply contracts  
24 pursuant to title IV of said Act, \$377,000,000.

## INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1967 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), or commodity export authorities of the Commodity Credit Corporation, \$40,000,000, to remain available until expended.

## TITLE IV—RELATED AGENCIES

### FARM CREDIT ADMINISTRATION

#### LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,032,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

### NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER EXPENSES

For necessary expenses, not otherwise provided, of the National Advisory Commission on Food and Fiber established to assist the President's Committee on Food and Fiber, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), ~~\$350,000~~ \$600,000.

## TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addi-



1 tion to those specifically provided for, of not to exceed four  
2 hundred and ~~twenty-one~~ *thirty-four* passenger motor vehicles  
3 for replacement only, and for the hire of such vehicles.

4 SEC. 502. Provisions of law prohibiting or restricting  
5 the employment of aliens shall not apply to employment  
6 under the appropriation for the Foreign Agricultural Service.

7 SEC. 503. Funds available to the Department of Agri-  
8 culture shall be available for uniforms or allowances therefor  
9 as authorized by the Act of September 1, 1954, as amended  
10 (5 U.S.C. 2131).

11 SEC. 504. No part of the funds appropriated by this  
12 Act shall be used for the payment of any officer or employee  
13 of the Department who, as such officer or employee, or on  
14 behalf of the Department or any division, commission, or  
15 bureau thereof, issues, or causes to be issued, any prediction,  
16 oral or written, or forecast, except as to damage threatened  
17 or caused by insects and pests, with respect to future prices  
18 of cotton or the trend of same.

19 SEC. 505. Except to provide materials required in or  
20 incident to research or experimental work where no suitable  
21 domestic product is available, no part of the funds appropri-  
22 ated by this Act shall be expended in the purchase of twine  
23 manufactured from commodities or materials produced out-  
24 side of the United States.

25 SEC. 506. Not less than \$1,500,000 of the appropria-

1 tions of the Department for research and service work author-  
2 ized by the Acts of August 14, 1946, July 28, 1954, and  
3 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.  
4 1891-1893), shall be available for contracting in accordance  
5 with said Acts.

6 SEC. 507. No part of any appropriation contained in  
7 this Act shall remain available for obligation beyond the  
8 current fiscal year unless expressly so provided herein.

9 This Act may be cited as the "Department of Agricul-  
10 ture and Related Agencies Appropriation Act, 1967".

Passed the House of Representatives April 26, 1966.

Attest:

RALPH R. ROBERTS,

*Clerk.*



89TH CONGRESS  
2D Session

H. R. 14596

[Report No. 1370]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

APRIL 27, 1966

Read twice and referred to the Committee on Appropriations

JULY 12, 1966

Reported with amendments







# **DIGEST** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued July 14, 1966  
For actions of July 13, 1966  
89th-2nd; No. 111

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HIGHLIGHTS: Senate debated agricultural appropriation bill and received supplemental budget request for cotton promotion program. House debated foreign aid authorization bill.

### SENATE

1. APPROPRIATIONS. Began debate on H. R. 14596, the agricultural appropriation bill. Agreed to the committee amendments en bloc (but only for the purpose of considering the bill with the amendments as the original text) and an amendment by Sen. Holland to provide \$300,000 supplemental funds "to initiate work under the Cotton Research and Promotion Act of 1966" (pp. 14896-901). Sen. Holland's amendment was submitted pursuant to a supplemental estimate (S. Doc. 98) (p. 14824).



Sen. Proxmire expressed his appreciation to the committee for its support of the special milk program for schoolchildren but questioned the "adequacy of \$105 million to do the job." pp. 14827-8

2. WATER POLLUTION. Passed with amendments S. 2947, to authorize "a research and demonstration program into advanced waste treatment and water purification and joint municipal-industrial treatment facilities." pp. 14849-67, 14869-84, 14887-96
3. HISTORIC STRUCTURES. Sen. Tower commended S. 3097, to encourage and assist in the preservation and maintenance of historic structures, and at his request was added as a cosponsor. pp. 14826-7
4. FOREIGN AID. Sen. Mondale inserted numerous letters supporting his amendment to the foreign aid bill, "to strengthen our support of adaptive agricultural research in hungry nations." pp. 14831-2

#### HOUSE

5. FARM CREDIT. The Agriculture Committee reported with amendments S. 2822, to amend various provisions of the laws administered by the Farm Credit Administration to improve operations thereunder (H. Rept. 1695) p. 14822
6. FOREIGN AID. Continued debate on H. R. 15750, the foreign aid authorization bill. pp. 14714-87
7. PACIFIC ISLANDS. Rep. Taylor inserted a statement to the U. N. Trusteeship Council by the High Commissioner of the Trust Territory of the Pacific Islands including a discussion of agricultural projects in the islands. pp. 14813-8
8. OPINION POLL. Rep. McDade inserted the results of a questionnaire, including items of interest to this Department. p. 14795
9. RECLAMATION. Rep. Saylor inserted an engineers' report criticizing the proposed Marble Canyon and Bridge Canyon dams as "a poor use of federal money and an unnecessary desecration of the Grand Canyon." pp. 14797-8
10. TRUTH-IN-PACKAGING. Rep. Ashbrook commended and inserted an article opposing some provisions of the truth-in-packaging bill. p. 14798
11. INTERSTATE TAXATION. Rep. Pool spoke in favor of H. R. 11798, to provide a system for taxation of interstate commerce. p. 14810
12. LOANS. Rep. O'Neill, Mass., criticized an Economic Development Administration loan for a Maine sugarbeet factory as "a colossal waste of the taxpayer's money" (p. 14714). Rep. Hathaway defended this loan and the viability of the Maine sugarbeet industry (p. 14819).
13. HOUSING. The Banking and Currency Committee was granted permission to file a report and accompanying documents by midnight Fri., July 15, on H. R. 15890, the city demonstration program bill. p. 14787
14. HAWAII. Rep. Mink commended and inserted a speech outlining economic and commercial achievements and prospects for Hawaii. pp. 14811-2

AMENDMENT TO THE REQUEST FOR APPROPRIATIONS  
FOR THE DEPARTMENT OF AGRICULTURE

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COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN AMENDMENT TO THE REQUEST FOR APPROPRIATIONS TRANSMITTED IN THE BUDGET FOR THE FISCAL YEAR 1967 IN THE AMOUNT OF \$300,000 FOR THE DEPARTMENT OF AGRICULTURE

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JULY 13, 1966.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,  
*Washington, July 13, 1966.*

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of the Congress an amendment to the request for appropriations transmitted in the budget for the fiscal year 1967 in the amount of \$300,000 for the Department of Agriculture.

The details of this amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington, D.C. 20503.*

THE PRESIDENT,  
*The White House.*

SIR: I have the honor to submit herewith for your consideration an amendment to the request for appropriations transmitted in the



budget for the fiscal year 1967 in the amount of \$300,000 for the Department of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE

CONSUMER AND MARKETING SERVICE

Budget appendix page	Heading	Request pending	Proposed amendment	Revised request
128	Consumer protective, marketing, and regulatory programs-----	\$86, 235, 000	\$300, 000	\$86, 565, 000

This proposed amendment provides funds to initiate work under the Cotton Research and Promotion Act of 1966, recently enacted by the Congress. This legislation authorizes a cotton research and promotion program with funds collected from cotton producers by assessing them \$1 per bale of cotton produced and marketed. The necessary public hearings, producer referendum, and establishment of regulations will take about 10 months. Therefore, in order to be ready to implement the act at the start of the crop year next June, it is necessary to begin the preliminary steps as soon as possible.

I recommend that the foregoing amendment to the budget for the fiscal year 1967 be transmitted to the Congress.

Respectfully yours,

CHARLES L. SCHULTZE,  
*Director of the Bureau of the Budget.*



almost all of the additional cost of additional treatment, if this bill is passed. This would make a major difference in the quality of the water in the Hudson. I urge New York City to design this plant so that it will provide secondary treatment—for with this legislation the Federal Government can help.

Another major feature of this legislation is a provision that permits States and communities to prefinance the Federal share of sewage treatment construction projects. This provision states that all projects meeting Federal standards that are started after July 1, 1966, will qualify for Federal grants when funds are available. This provision does not guarantee that the funds will be available. But it does guarantee that a community and a State will not lose Federal funds because they act now. This provision is of major importance to those States, such as New York, that have offered to assist local communities in financing their new construction.

The bill also establishes a Federal loan fund to assist local communities in meeting their share of new project costs. This eliminates major financial barriers to a successful municipal sewage treatment program.

I am also pleased that this legislation incorporates Senator TYDINGS' bill, S. 3240, requiring a study of the importance of our salt marshes and estuaries and the affects of water pollution on these areas.

I cosponsored Senator TYDINGS' original bill because of my concern over the continuing destruction of our marshland and the related effect on our fisheries and wildlife.

The Atlantic States Marine Fisheries Commission pointed out in its most recent report that at least 70,000 acres of coastal marshland along the Atlantic Coast has been destroyed in the last 10 years. The President's Science Advisory Commission has also pointed out that 60 percent of the seafood taken from water surrounding the United States is dependent on coastal estuaries and marshland for their existence. If we destroy our wetlands, we will destroy our fisheries so that oysters, flounder, and fluke either disappear or become rare.

I have introduced a bill in the Senate aimed at the preservation of 16,000 acres of marshland on Long Island's south shore. This bill, S. 3271, may well provide a pattern for cooperative local-State-Federal protection of marshland. But we also need to know what pollutants threaten these marshlands and estuaries. We need to know which areas are now in danger. The provision of the bill authorizing \$1 million for a study of our estuaries and marshland is therefore an important provision.

This legislation also speeds up the Federal research program on water pollution problems. Imaginative research may provide new answers to our sewage disposal problems, answers that can save large amounts of money. Economical closed-system waste disposal units for individual houses may make it possible to eliminate collecting sewers and treatment plants in new communities. New chemical processes may reduce the cost

of municipal sewage treatment plants. And an emphasis on pollution-free industrial processes may make it possible materially to reduce industrial pollution.

Important as this legislation is, there are several problems that it does not answer. It does not meet our lateral sewer needs. We now provide some funds for this purpose under the community facilities program of the Department of Housing and Urban Development. But a single county growing in population may need lateral sewers costing \$5 to \$10 million. The largest grant for lateral sewers that HUD has given for this purpose is \$1½ million. The Community Facilities Administrator reports that as of June 23, 1966 it has received 4,033 inquiries about grants that total \$2,352,000,000. Their total authorization is \$100 million. This is a gap that we need to close.

We also have not yet met the problem of industrial pollution. We can only enforce water quality standards if we can help industries absorb the costs of treatment. It is easier, for example, to require that a new plant be built so that it does not violate local water quality standards. But it is harder to require an existing plant to maintain standards at a cost which may drive it out of business.

The new river basin approach authorized in this bill makes it possible to provide tax credits to existing plants that install new treatment facilities, river basin by river basin. In those river basins where the local communities are providing effective municipal treatment and water quality standards are enforced, it might be possible to grant tax credits to those industries willing to install new treatment facilities on existing plants.

We also need thoroughly to explore the possibility of building pollution treatment plants to service a number of industries, with payments by the industry according to the amount of pollution it discharges. This approach will be studied with research funds provided in this bill. Both this approach and the one discussed earlier deserve careful study.

In closing, I wish to compliment Chairman MUSKIE and his colleagues on the Subcommittee on Air and Water Pollution. They have reported a strong bill which I am glad to support.

Mr. MURPHY. Mr. President, once again the Senate Public Works Subcommittee on Air and Water Pollution, on which I have the privilege to serve under the able leadership of Senator MUSKIE and Senator Boggs, has brought before the Senate a most important and far-reaching bill designed to further this Nation's battle against water pollution.

Fighting pollution, whether it be air or water pollution, is not an easy task, but not to take action where action is so clearly called for would be a dereliction of duty by Congress and a disservice to all Americans. Pollution is one of the great domestic issues facing our Nation, and it is a problem that increasingly plagues more and more of our communities and endangers the Nation's health. Because of my interest in and concern with the water pollution problem in this

country, I was pleased to cosponsor S. 2947, which is before the Senate today.

The scarcity of water has tormented man down through many centuries. Today our water needs are great and growing. Tomorrow the demands for adequate water to supply industry and agriculture for our exploding population will be even greater. The world demand is expected to double before the end of the 20th century. It has been estimated that by 1980 water supplies in the United States will be inadequate to meet the water requirements of our population.

Scientists tell us that the earth's original supply of water is still in use. Little has been lost or added. The centuries-old hydrologic cycles of water continue today. It is therefore not the total world supply that is of concern to man but its management and distribution that will determine whether adequate water will be available.

The history of my State, Mr. President, shows a strong link between the development of the State and the development of its water resources. So we in California have long appreciated this problem and the 240-mile-long aqueduct canal in Los Angeles is just one of many examples of California's effort to overcome the unequal distribution of water.

Last year, Congress enacted important legislation designed to alleviate the water pollution control and abatement problem. Important as this action was, evidence gathered from hearings held in California and across the country by the Air and Water Pollution Subcommittee indicated that we are not doing enough and that greater effort is needed to deal with this most serious national problem.

As a result of these hearings, the subcommittee made recommendations to further attack the water problem, and many of these recommendations are incorporated in S. 2947. Our subcommittee found that greater Federal assistance was needed to meet the costs of municipal sewage treatment construction between now and 1972. S. 2947 would help to answer the dire need of the many communities across the Nation by authorizing a 6-year Federal program of sewage treatment construction grants. As costly as this program would be, I am convinced it is necessary for the health, welfare, and future growth of the country.

We in the West have always been keenly aware that water is a critically important resource. The shortage experienced by the northeast section of our country last year has served to underscore the fact that the water problem is national in scope, that it must be faced, and faced now.

That is why I feel that there is no more important subject than that of water. As the major substance of all living things, water is truly an extraordinary substance. It is essential for the transportation of man's commerce, for providing man with essential power for irrigation of his farms and, yes, for the sustaining of life itself.

The poet Byron once said:

Til taught by pain, men really know not what good water is worth.



It is the duty of the Congress, the States, the local communities, and industry to see if the "pain" of inadequate water supplies can be avoided by proper and prudent planning.

The passage of S. 2947 today, Mr. President, will contribute to that end. Enactment of S. 2947 will again underscore the determination of the American people and of the Congress that the by-products of modern society will not be permitted to despoil our natural resources, and that the genius and reasonableness of man will enable us to overcome the pollution problem, thus permitting our citizens to enjoy these precious natural resources.

Mr. MCINTYRE. Mr. President, I would like to congratulate the Senator from Maine [Mr. MUSKIE], for the effective manner in which he has managed the bill now before the Senate.

This bill represents a further recognition by the Senate of the tremendous need for financial assistance to communities which are trying to clean up their own water pollution. The job of cleaning up our Nation's rivers must be accelerated; and this can be done only through additional Federal and State financial help. Our cities cannot be left to bear the full cost of these expensive treatment facilities which are of benefit to entire regions.

My State of New Hampshire contains the headwaters of six interstate river basins. We know firsthand the expense of installing municipal treatment plants. Under our Governor, John W. King, New Hampshire has played a leading role among the States in financial support to municipalities for controlling water pollution. Our New Hampshire communities are looking forward to the additional funds for which their State's efforts have qualified them.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Alaska [Mr. GRUENING], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Wyoming [Mr. MCGEE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. BASS], the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. MCGEE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Pennsylvania [Mr. SCOTT] is absent because of illness and, if present and voting, would vote "yea."

The Senator from Wyoming [Mr. SIMPSON] is detained on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

[No. 136 Leg.]

YEAS—90

Aiken	Harris	Morton
Allott	Hart	Moss
Bartlett	Hartke	Mundt
Bayh	Hickenlooper	Murphy
Bennett	Hill	Muskie
Bible	Holland	Nelson
Boggs	Hruska	Neuberger
Brewster	Inouye	Pastore
Burdick	Jackson	Pearson
Byrd, Va.	Javits	Pell
Byrd, W. Va.	Jordan, N.C.	Prouty
Cannon	Jordan, Idaho	Proxmire
Carlson	Kennedy, Mass.	Randolph
Case	Kennedy, N.Y.	Ribicoff
Church	Kuchel	Russell, S.C.
Cooper	Lausche	Russell, Ga.
Cotton	Long, Mo.	Saltonstall
Curtis	Long, La.	Smith
Dirksen	Magnuson	Sparkman
Dodd	Mansfield	Stennis
Dominick	McCarthy	Symington
Douglas	McClellan	Talmadge
Eastland	McGovern	Thurmond
Ellender	McIntyre	Tower
Ervin	Metcalf	Tydings
Fahnen	Miller	Williams, N.J.
Fong	Mondale	Williams, Del.
Fulbright	Monroney	Yarborough
Gore	Montoya	Young, N. Dak.
Griffin	Morse	Young, Ohio

NAYS—0

NOT VOTING—10

Anderson	Hayden	Simpson
Bass	McGee	Smathers
Clark	Robertson	
Gruening	Scott	

So the bill (S. 2947) was passed.

Mr. MANSFIELD. Mr. President, by unanimously agreeing to expand the Government's attack on water pollution, the Senate accorded the distinguished Senator from Maine [Mr. MUSKIE] an outstanding tribute. I barely need add that the tribute was highly deserved. I join with the many Senators who commended Senator MUSKIE for the exceptional manner in which he brought this measure to its successful disposition. In committee and on the floor of the Senate today, his strong support, his clear, convincing advocacy, and his effective leadership assured the Senate's overwhelming approval.

Furthermore, with the passage of the clean air measure yesterday, followed by the antiwater pollution proposal today, Senator MUSKIE has indeed brought great distinction to his Air and Water Pollution Subcommittee. Clearly, all Americans are deeply grateful for his singular devotion to the solution of this grave and most significant problem.

So, too, has the ranking minority member of the subcommittee, the distinguished junior Senator from Delaware [Mr. BOGGS], devoted his great talent and energy to this problem. And of course he must share the credit for today's success. His vigorous support was essential to this outstanding victory.

The chairman of the Committee on Public Works, the distinguished Senator from West Virginia [Mr. RANDOLPH], similarly is to be commended for his strong and articulate advocacy. Long a supporter of effective legislation in this vital area, his backing today served immensely to achieve an overwhelming en-

dorsement. The Senator from Kentucky [Mr. COOPER] and the Senator from Massachusetts [Mr. KENNEDY] likewise contributed to the success both with outstanding support and gracious cooperation. The same may be said of the Senator from Alaska [Mr. BARTLETT], the Senator from New York [Mr. JAVITS], the Senator from Wisconsin [Mr. NELSON], the Senator from Texas [Mr. YARBOROUGH], and other Senators who joined to assure unanimous passage.

Once again, I wish to praise Senator MUSKIE and his subcommittee for a job well done. Moreover, I praise the entire Senate. The achievement is surely a great tribute to this body.

#### ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL of Georgia. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. RUSSELL of Georgia. I wanted the Senate to be perfectly clear as to the effect of the unanimous-consent request. Did I understand the Senator to say the Senate would convene at 11 o'clock?

Mr. MANSFIELD. Yes.

#### DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1967

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1335, H.R. 14596.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the committee on appropriations with amendments.

Mr. HOLLAND. Mr. President, I have had several inquiries from Senators as to whether I anticipate any votes on the agriculture appropriation bill tonight. I do not. I intend to deliver my explanatory statement on the bill and to make some procedural motions. I will also be happy to yield to any other Members who have statements or questions on this subject.

Mr. President, we now have under consideration H.R. 14596, the annual supply bill for the Department of Agriculture and related agencies for 1967. In summary, the amount of the bill, as recommended by the committee, totals \$7,051,543,300, a net increase of \$175,516,300 over the House bill, and is \$28,905,300 over the budget estimates, and \$670,094,-



800 over the appropriations for fiscal year 1966.

The increases over the House recommended by the committee result in a net increase of \$159,207,300 for general activities of the Department. The House bill proposed the use of section 32 funds for amounts of \$53 million for the special milk program, and \$150 million for the food stamp program, as recommended in the budget estimates. Neither of these uses are in accordance with the purpose of section 32 authorization. The committee has stricken them from the bill and included adequate amounts by direct appropriation from general revenue funds.

There are several other increases and decreases involved in titles I and II of the bill to finance the general activities of the Department. The major increase in appropriations over 1966 is for the reimbursement of capital impairment of the Commodity Credit Corporation for realized net losses. On this item the appropriation recommended is \$3,555,855,000, the budget estimate, and an increase of \$55,855,000 over the House. The appropriation of this amount for this purpose will fully restore the amounts of prior year losses except for a balance of \$1,057 million for fiscal year 1961. It is expected that the budget estimate for next year will include a request for this amount as well as for the losses incurred during fiscal 1966.

I depart from my prepared text long enough to say we appreciate the attitude of the Bureau of the Budget and the Department of Agriculture in seeking to meet the requests of the Senate which have been to the effect that deficits in the Commodity Credit Corporation be caught up with as soon as possible. The action recommended by the committee, which is the same as recommended by the Budget Bureau, will see that all deficits are appropriated for except for 1961, which I have mentioned.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. I congratulate the manager of the bill on the action which his committee has taken to clear up the outstanding deficits. I think it should have been done before. We recognize that these deficits have been created, and this is a definite step toward the elimination of the deficits. I am glad to see it being done.

Mr. HOLLAND. I thank the Senator. He has been one of the Senators who has been interested in seeing that these deficits be caught up with and that the Commodity Credit Corporation operate on a balanced budget, or at least have its deficit for the last year restored by each recurring appropriation bill.

The details of the increases and decreases made by the committee over and under the budget estimates and the com-

parative amounts recommended in the bill as passed by the other body are described in Committee Report No. 1370 accompanying the bill, and in my statement I will only deal with a few items.

The committee report contains 69 pages, and I realize it would take too much of the time of the Senate to go into details at this time.

The budget estimates transmitted to the Congress for fiscal 1967 recommended sharp decreases in traditional and vitally important agricultural and consumer benefit programs.

I refer specifically to the budget reductions affecting the Federal research program and cooperative control programs; the payments to States for research grants under the Hatch Act; the payments to States for cooperative extension under the Smith-Lever Act; the special milk program; the school lunch program; the advance authorization for the agricultural conservation program; and for loan authorizations of the Farmers Home Administration and the Rural Electrification Administration.

Mr. President, in regard to these items, I request that a table showing the amounts of the 1966 appropriation; the budget estimate for 1967; the House bill appropriation; and the recommendations by the committee be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table of major items showing comparisons between appropriations for fiscal year 1966, estimates for 1967, House bill and Senate subcommittee recommendations

Item	Appropriations 1966	Estimate, 1967	House bill	Recommendation of Senate committee
Agricultural Research Service:				
Research funds.....	\$144,059,000	\$132,980,000	\$145,673,000	\$148,844,600
Plant and animal diseases and pest control programs.....	75,547,000	69,748,000	76,764,000	81,498,200
Cooperative State Research Service: Hatch Act payments.....	48,113,000	39,613,000	48,113,000	53,113,000
Extension Service:				
Smith-Lever for cooperative extension payments.....	75,536,000	75,917,500	75,917,500	78,917,500
Redirection from formula to nonformula of \$9,600,000 was proposed in the budget and denied by the House and Senate subcommittee.				
Consumer and Marketing Service:				
Special milk program.....	103,000,000	21,000,000	103,000,000	105,000,000
School lunch program.....	202,000,000	183,000,000	202,000,000	212,000,000
Agricultural conservation authorization.....	(220,000,000)	(100,000,000)	(220,000,000)	(220,000,000)
REA authorizations:				
Electrification program.....	(365,000,000)	(220,000,000)	(365,000,000)	(375,000,000)
Telephone program.....	(97,000,000)	(85,000,000)	(97,000,000)	(117,000,000)
Farmers Home Administration (direct loan account): Farm operating loans.....	(300,000,000)	(300,000,000)	(300,000,000)	(350,000,000)

#### POULTRY INSPECTION

Mr. HOLLAND. Mr. President, I also request that a letter I received from the Secretary of Agriculture, dated May 18, 1966, dealing with administration of the meat and poultry inspection programs be printed in the RECORD at this point, together with the statement in the committee report (No. 1370) on this subject taken from pages 33 and 34 of the report.

There being no objection, the letter and the excerpt from the committee report were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, D.C.

HON. SPESSARD L. HOLLAND,  
U.S. Senate.

DEAR SENATOR HOLLAND: My attention has been called to the fact that a number of poultry processors have recently been contacting their congressional representatives regarding organizational actions we have

taken affecting the poultry inspection service. In view of my earlier conversations with you on this matter, I believe it would be helpful to provide you with details of these actions in order to avoid any misunderstanding as to their purpose and impact.

At the time the meat inspection service was transferred from the Agricultural Research Service to the Consumer and Marketing Service it became apparent that certain functions of a highly technical nature were being conducted in both services with separate but similar technical staffs. For example, both services were maintaining separate laboratories for similar analytical work. Both had staffs reviewing and approving labels. Approval of plant facilities and sanitation requirements were being reviewed and approved by separate engineers, two separate kitchens for testing products were being maintained and both services maintained separate staffs for compliance and surveillance purposes in the field. The units responsible for these important technical functions supplemented the major inspection job and were not being coordinated under sufficiently strong and appropriate leadership.

After reviewing this situation, we determined that these services had a common objective, and could be combined as separate units with common facilities. Further, we felt they should be placed under competent and vigorous leadership to assure more adequate assistance to the inspection services as well as to improve and expand consumer protection. A Technical Services Division was established to carry out functions such as label approval, laboratory analysis, equipment, plant facilities and sanitation and standards for product ingredient. The Division acts as a service unit to both the poultry and meat inspection services. The Director of this Division reports to the Deputy Administrator for Consumer Protection in the Office of the Administrator, an arrangement which assures that these important areas will be given adequate attention and be made uniform for both poultry and meat inspection.

We also combined into one staff unit the compliance and surveillance force. This allows wider coverage in the field to prevent uninspected poultry and meat products from moving in interstate commerce to the detri-



ment of the processing industry as well as to consumers.

Except for these two actions the poultry inspection service remains separate and intact in both Washington and the field. It continues under the direction of the Director of the Poultry Division. Similarly, the various other service programs performed by that Division, such as market news, grading, and surplus removal continue to operate as they have in the past. Let me emphasize that of the more than 1,600 full time staff required to carry out the poultry inspection service, only 27 technical and support personnel were transferred to the Technical Services Division. Similarly, only six field personnel engaged in compliance surveillance work were transferred from the Poultry Division.

We recognize the deep concern of many people in the poultry industry and we have emphasized that in establishing the Technical Services Division, the day-to-day poultry inspection functions would not be disturbed nor would the excellent line of communication between plant operators and the service be impaired in any manner. It is our judgment that in setting up the Technical Services Division, we can be more responsive to the ever-growing problems confronting the poultry industry in terms of residues, additives, disease and condemnations. In the overall, the entire inspection service can be improved to the benefit of the industry as well as to the consumer without increasing the cost to taxpayers.

Concise organizational charts showing the organizational structure of the Poultry Division and meat inspection service before and after organizational changes are attached.

I welcome the opportunity to comment on this matter, for I believe the actions taken are constructive and progressive. In no sense have these actions been taken as a means of subjugating poultry inspection to meat inspection. I fully appreciate the competitive nature of these products and the Department is and will remain sensitive to this fact. It is our desire to provide consumers with the protection intended by the mandatory legislation providing for both services and to do so efficiently, effectively and in cooperation with the two great industries involved.

Sincerely yours,

ORVILLE FREEMAN,  
Secretary.

Attachments.

An appropriation of \$41,939,000 is recommended for administration of meat inspection. This is the amount of the budget estimate, an increase of \$3,347,000 over 1966 and \$347,000 over the amount carried in the House bill. The need for increased appropriations arises from the continued dispersion of packing plants away from major cities, together with the increase in numbers of packing and further processing plants under inspection.

For the administration of the Poultry Products Inspection Act, \$19,330,800 is recommended. This is \$1,344,000 over 1966, the amount of the estimates and \$344,000 over the House bill.

The Committee had received a request to amend the bill to require that no activities in connection with the administration of the Poultry Products Inspection Act of 1957 could be merged with similar type activities in connection with the administration of the Meat Inspection Act.

The Committee has carefully considered this proposal, as well as a letter, received from the Secretary of Agriculture under date of May 18, 1966. The Secretary describes the organizational changes that he has approved since the transfer of meat inspection to the Consumer and Marketing Service and states that these changes were designed solely

to improve common service activities of both inspection programs. The letter from the Secretary further asserts that day-to-day inspection functions of mandatory poultry inspection would not be changed by the realignment of common service activities announced last December 7.

The Committee expects the Secretary and the Department to abide by the statements contained in the letter and expects the Department to maintain independent supervisory inspection standards where required and separate working level inspection standards and services for these two important industries.

Mr. HOLLAND. In essence, the committee expects the Secretary of Agriculture to maintain independent supervisory and plant inspection standards and supervision for these two important program activities.

This concludes my brief statement on the bill. As previously stated, the committee report deals in detail with each appropriation item and major activity thereunder.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield in that connection?

Mr. HOLLAND. Mr. President, I shall be happy to yield to the distinguished Senator from Delaware. May I postpone yielding to him for a moment? The distinguished ranking minority member of the committee, the Senator from North Dakota [Mr. Young], is on the floor, and he may have something he wishes to add to my general statement before we get into colloquy, which is what I assume the Senator from Delaware has in mind at this time.

Mr. WILLIAMS of Delaware. That is correct.

Mr. HOLLAND. I yield first to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I appreciate the opportunity to make a few comments at this time.

Mr. President, the committee studied this bill very carefully, and I think exacted every possible economy. The bill is not nearly as large as some people seem to think, and much of it is not for agricultural purposes.

For example, Mr. President, \$1,617 million of the total amount goes to reimburse the Commodity Credit Corporation for the cost of programs carried on under Public Law 480. These programs include famine relief, the cost of giving wheat to India, for example, in return for their currencies which have little value and other portions of the food for peace or Public Law 480 program. This item alone makes up a large part of the bill.

The increases which we have made are, I think, well justified, and I think will meet with the approval of Congress. The special milk program, for example, was increased from the budget estimate of \$21 million to \$106 million, and the committee increased funds for the school lunch program from \$183 million to \$212 million.

The agricultural conservation program, a very fine soil conservation program, was increased from \$100 million to \$220 million. Then there is the rural electrification program, the budget estimate for which was \$220 million—the Senate figure is \$375 million. Loan funds for the rural telephone program were increased

from the Bureau of the Budget request of \$85 million to \$117 million.

The authorization for operating loans to farmers through the Farmers Home Administration was increased from \$300 million to \$350 million.

These loan programs have done a great deal to strengthen and advance agriculture. In the case of REA and RTA loans, the repayment record has always been almost 100 percent. The repayment record on the FHA operating loans is over 95 percent despite the fact that these loans are only made to farmers who cannot obtain credit elsewhere.

Mr. President, these are some of the finest programs our Federal Government has—far better than most of the Great Society programs—and their cost is very little. The items which I have mentioned account for most of the increases in this bill.

Mr. HOLLAND. Mr. President, I greatly appreciate the comments made by my distinguished fellow Senator, and wish to say that his help, in the study and marking up of this important bill, was simply indispensable.

He has mentioned the amount of work done by the committee. I call attention to the fact, at this time, that the printed hearings, consisting of 2,018 pages of testimony, are now on the desk of each Senator. This is a good indication of the amount of work involved in considering a bill of this magnitude. I wish to express by very great appreciation to the Senator from North Dakota for his efforts.

Mr. YOUNG of North Dakota. I thank the Senator from Florida, the chairman of the Agriculture Appropriations Subcommittee for his gracious comments. The chairman was present at all of those hearings; I was not able to attend quite all of them. They were exhaustive hearings, and the chairman insisted on obtaining the fullest possible information from all of the various agencies of the Department of Agriculture, as well as the greatest possible amount of information from outside witnesses.

Mr. HOLLAND. I thank my understanding friend for his gracious comment.

I understand that the distinguished Senator from Delaware, who has been particularly interested, always, in the poultry business and everything affecting it, has a series of questions which he wishes to ask relative to the poultry inspection service. I am happy to yield to him for that purpose at this time.

Mr. WILLIAMS of Delaware. I thank the Senator for yielding. I say to the Senator, I believe we understand these matters, but to make clear for the Record the legislative background, I would like to ask these questions.

First, I ask for clarification of the language in the committee report dealing with the reorganization of certain poultry inspection services and their consolidation with common services performed as prespects the red meat inspection. It is my understanding that on December 7, 1965, the Department of Agriculture created a Technical Services Division which would serve as a supporting arm to perform various services for the Meat Inspection Division and the



Poultry Division. Is this understanding correct?

Mr. HOLLAND. Yes, that understanding is correct. The Department sought only to combine in one division of the Consumer and Marketing Service those technical services common to both red meat and poultry, not to merge policymaking functions in the newly created agency. On the basis of this information, we appropriated funds for the Department's reorganization.

Mr. WILLIAMS of Delaware. I thank the Senator. Is it accurate, therefore, to conclude that the Technical Services Division will operate solely as a service unit to provide facilities and technology needed by the other Divisions and that it will not usurp any of the policymaking, supervisory or line functions performed by the Meat Inspection and Poultry Divisions prior to the December 7 reorganization?

Mr. HOLLAND. Yes, that is correct.

Mr. WILLIAMS of Delaware. For example, would those policy responsibilities relative to poultry inspection and grading criteria which were exercised by the Poultry Division prior to the December 7 announcement continue to be exercised by it?

Mr. HOLLAND. Yes, they would still be consulted.

Mr. WILLIAMS of Delaware. Is it therefore correct to assume that in approving plant blueprints and product labels, in conducting laboratory work, and in implementing its other responsibilities, the Technical Services Division will not only confer with but be governed by the policy standards established by the Meat Inspection and Poultry Divisions to the same degree as these divisions exercised such control prior to the reorganization?

Mr. HOLLAND. That is correct.

Mr. WILLIAMS of Delaware. The Department's December 7 announcement also announced the creation of a Program Appraisal Staff. I have been informed that the responsibility of this group will primarily be to enhance vigilance regarding red meat and poultry products which have been shipped in interstate commerce in violation of the governing statutes. Is it correct to conclude, from this information that the Program Appraisal Staff will not be charged with inspecting or otherwise supervising the line inspection work performed now and prior to December 7 by the divisions charged with red meat and poultry inspection?

Mr. HOLLAND. The Senator from Delaware is correct.

Mr. WILLIAMS of Delaware. I thank the Senator for his cooperation in establishing the record.

I have a couple of questions in line with another subject contained in the bill.

I have received over the past 2 months numerous complaints from the poultry producers in my State and from other areas of the country regarding losses which they have suffered by using contaminated poultry vaccine. It was my understanding that this vaccine was supposed to be tested and approved by the Department of Agriculture before being

released for general use. Has the committee taken any action in this bill which will improve the administration of the Virus Serum Toxin Act, and provide for more thorough testing of these poultry biologics?

Mr. HOLLAND. Yes. The committee recommended an increase of \$500,000 for improving the administration of this program. This will provide for increased sampling and testing of these biologics, and also provide additional funds for stricter enforcement. In addition, we have requested the Department to review this program and report to the committee next year on needed improvements.

Mr. WILLIAMS of Delaware. Have any funds been recommended for the eradication and control of the disease mycoplasma gallisepticum, which has been spread through previously clean flocks by the use of this contaminated vaccine?

Mr. HOLLAND. Yes. We included \$150,000 in additional funds to step up the eradication of this particular disease. Before we did that, we received general complaints and petitions from the poultry producers all over the Nation that steps be taken along that line. We are very hopeful that these steps will prove to be effective.

Mr. WILLIAMS of Delaware. I thank the chairman for his cooperation, and I thank the committee for their consideration of these most important functions. I strongly support their decision.

Mr. HOLLAND. I thank my distinguished friend, the Senator from Delaware. I congratulate him on his always careful following of the problems of the poultry industry and other industries in his role as the safeguarder of the poultry producers of the Nation.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as amended, be considered as original text, and that no points of order shall be considered as having been waived by this action.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 3, line 13, after "\$100", to strike out "\$120,573,000" and insert "\$123,844,600"; in line 17, after the word "which", to strike out "\$10,619,000" and insert "\$11,869,000"; in line 20, after the word "and", to strike out "\$5,401,300" and insert "\$3,965,700"; and, on page 4, line 1, after "(21 U.S.C. 113a):", to insert "Provided further, That none of the funds appropriated in this Act shall be used to formulate a budget estimate for fiscal 1968 of more than \$15,000,000 for research to be financed by transfer from funds available under section 32 of the Act of August 24, 1935, and pursuant to Public Law 88-25";

On page 4, line 13, after "(21 U.S.C. 114b-c)", to strike out "\$76,764,000" and insert "\$81,498,200", and, in line 20, after the words "per centum", to insert a colon and "Provided further, That \$100,000 of the amount appropriated by this paragraph shall remain available until expended for the planning of facilities without regard to limitations placed herein".

On page 6, line 9, after the word "expended", to strike out "\$3,000,000" and insert "\$6,000,000".

On page 7, line 5, after the word "includ-

ing", to strike out "\$48,113,000" and insert "\$53,113,000"; at the beginning of line 10, to strike out "\$2,500,000" and insert "\$3,000,000"; in line 18, after the word "and", to strike out "\$304,000" and insert "\$317,000"; and, on page 8, line 4, after the word "all", to strike out "\$55,227,000" and insert "\$60,740,000".

On page 8, line 14, after the word "Act", to strike out "\$74,347,500" and insert "\$77,347,500 (except \$2,800,000 which may be distributed under section 3(d) of the Act)", and, in line 18, after the word "all", to strike out "\$75,917,500" and insert "\$78,918,500".

On page 12, line 6, after the word "expended", to strike out "\$67,020,000" and insert "\$70,000,000".

On page 13, line 16, after "(16 U.S.C. 590p)", to strike out "\$16,112,000" and insert "\$18,500,000".

On page 14, at the beginning of line 1, to strike out "\$4,347,000" and insert "\$4,574,000".

On page 15, line 3, after the word "products", to strike out "\$12,032,000" and insert "\$12,182,000".

On page 15, line 25, after the word "laws" to strike out "\$13,272,000" and insert "\$13,575,000".

On page 16, line 24, after "1946", to strike out "\$82,757,000" and insert "\$83,581,000".

On page 17, line 9, after "(7 U.S.C. 1446, note)", to strike out "\$50,000,000" and insert "\$105,000,000", and, in the same line, after the amendment just above stated, to strike out "and in addition \$53,000,000 shall be transferred from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), and merged with this appropriation."

On page 17, line 16, after "(42 U.S.C. 1751-1760)", to strike out "\$157,000,000" and insert "\$167,000,000".

On page 18, line 5, after "1964", to strike out "\$150,000,000, to be provided from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)" and insert "\$100,000,000, and in addition \$25,000,000 appropriated under this head in Public Law 89-316, approved November 2, 1965, shall be transferred to and merged with this appropriation: *Provided*, That no funds available in this Act shall be used to plan or formulate a food stamp program for fiscal 1968 to be financed in whole or in part from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)".

On page 19, line 14, after "(7 U.S.C. 1766)", to strike out "\$21,083,000" and insert "\$21,349,000".

On page 20, at the beginning of line 21, to strike out "\$128,558,000" and insert "\$130,424,500", and, in line 22, after the word "exceed", to strike out "\$75,803,600" and insert "\$77,545,000".

On page 24, line 23, after "1965", to strike out "\$2,200,000" and insert "\$3,000,000, and in addition \$1,375,000 appropriated under this head in the Second Supplemental Appropriation Act, 1965, shall be transferred to and merged with this appropriation".

On page 25, line 7, after the word "amended", to strike out "\$7,500,000" and insert "\$10,000,000".

On page 25, line 13, after the word "Corporation", to strike out "\$90,000,000" and insert "\$50,000,000".

On page 26, at the beginning of line 18, to strike out "\$637,000" and insert "\$2,500,000".

On page 27, line 8, after "(5 U.S.C. 574)", to strike out "\$2,400,000" and insert "\$2,604,000".

On page 27, line 19, after the word "Department", to strike out "\$1,826,000" and insert "\$1,851,000", and in line 20, after the word "exceed", to strike out "\$537,000", and insert "\$562,000".

On page 28, line 17, after the word "Library", to strike out "\$2,147,000", and insert "\$2,501,000".



On page 30, at the beginning of line 13, to strike out "\$365,000,000", and insert "\$375,000,000"; in the same line, after the amendment just above stated, to strike out "of which \$72,500,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program"; in line 18, after the word "programs," to strike out "\$97,000,000"; and insert "\$117,000,000"; and in line 19, after the amendment just above stated, to strike out "of which \$6,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program."

On page 31, line 7, after "(5 U.S.C. 55a)," to strike out "\$12,202,000", and insert "\$12,302,000".

On page 31, line 16, after the word "loans," to strike out "\$300,000,000", and insert "\$350,000,000," and in line 17, after the amendment just above stated, to strike out "of which \$50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program."

On page 32, line 7, after the word "assistance", to strike out "to public nonprofit organizations".

On page 33, line 1, after "(40 U.S.C. 440-444);" to strike out "\$51,057,000", and insert "\$51,000,000".

On page 34, line 5, after the word "expenses," to strike out "\$8,342,000", and insert "\$8,546,000".

On page 34, line 8, after the word "exceed" to strike out "\$4,150,000" and insert "\$4,000,000".

On page 34, line 22, after "(15 U.S.C. 713a-11, 713a-12)," to strike out "\$3,500,000,000", and insert "\$3,555,855,000", and in line 23, after the amendment just above stated, to strike out "Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, 83rd Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, as long as North Vietnam is governed by a Communist regime" and insert "Provided, That unless the President determines that the national interest requires otherwise, no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as hostilities are in progress in Vietnam."

At the top of page 37, to strike out:

**"INTERNATIONAL WHEAT AGREEMENT"**

"For expenses during fiscal year 1967 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), or commodity export authorities of the Commodity Credit Corporation, \$40,000,000, to remain available until expended."

On page 37, line 20, after "(5 U.S.C. 55a)", to strike out "\$350,000" and insert "\$600,000".

On page 38, line 2, after the word "and", to strike out "twenty-one" and insert "thirty-four".

Mr. HOLLAND. Mr. President, during the meeting of the full committee yesterday, a matter arose on which we were unable to act because the Bureau of the Budget has not submitted an estimate at the time, but I was authorized by the unanimous vote of the full committee to offer a certain amendment on the floor at this time provided a supplemental budget item was received in time for presentation. We understood the budget estimate was in the course of preparation.

On that basis I shall ask that the Senate agree to an amendment which would authorize \$300,000 to be appropriated to the Department of Agriculture to conduct a referendum which must be held before the recently passed bill can become operative. That is the bill by which a tax or contribution of \$1 per bale is required on all cotton produced, with certain conditions laid down by that bill, for the purpose of promoting the sale and greater use of cotton.

The committee was unanimous in its authorization that the amendment be offered as a committee amendment if the supplemental item were received in time. That item has been received. I ask unanimous consent that the supplement-

tal budget request be printed at this point in the RECORD as part of my statement.

There being no objection, the supplemental budget request was ordered to be printed in the RECORD, as follows:

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of the Congress an amendment to the request for appropriations transmitted in the budget for the fiscal year 1967 in the amount of \$300,000 for the Department of Agriculture.

The details of this amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

Estimate No. S. Doc. 98

89th Congress, Second Session

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D.C.

THE PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration an amendment to the request for appropriations transmitted in the budget for the fiscal year 1967 in the amount of \$300,000 for the Department of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

Budget appendix page	Heading	Request pending	Proposed amendment	Revised request
128	Consumer protective, marketing, and regulatory program...	\$86,265,000	\$300,000	\$86,565,000

This proposed amendment provides funds to initiate work under the Cotton Research and Promotion Act of 1966 recently enacted by the Congress. This legislation authorizes a cotton research and promotion program with funds collected from cotton producers by assessing them \$1 per bale of cotton produced and marketed. The necessary public hearings, producer referendum and establishment of regulations will take about 10 months. Therefore, in order to be ready to implement the Act at the start of the crop year next June, it is necessary to begin the preliminary steps as soon as possible.

I recommend that the foregoing amendment to the budget for the fiscal year 1967 be transmitted to the Congress.

Respectfully yours,

CHARLES L. SCHULTZE,

Director of the Bureau of the Budget.

Mr. HOLLAND. Mr. President, I send to the desk an amendment and ask that it be stated. I ask that the amendment be considered, and agreed to as a committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 16, line 24, strike out "\$83,581,000", and insert "\$83,881,000".

Mr. HOLLAND. The addition of the \$300,000 is for the purpose covered by the supplemental budget item.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, unless someone has questions to propound at

this time or has remarks of his own that he wishes to make on the bill, it is my purpose to suggest that the debate go over until tomorrow. At that time we will probably consider some controversial items which will require some discussion and perhaps some votes.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. THURMOND. Mr. President, I would like to particularly commend the chairman of the Agricultural Appropriations Subcommittee, the able senior Senator from Florida [Mr. HOLLAND], who has handled this bill with singular ability and competence. Senator HOLLAND not only distinguishes himself by his efficiency and initiative in his handling of these technical and complicated matters, but his tact and diplomacy enable him to handle even the most thorny issues with facility. I would like to take this opportunity to express my appreciation to him and to the other members of this subcommittee for a job well done.

It is particularly gratifying to see several items included in this legislation which will be of particular value to the farmers in South Carolina, as well as in other parts of the country. Certain of our farmers have experienced long delays in getting harmful agricultural insects properly identified by the Department of Agriculture. In some instances, these delays resulted in a major portion of the crop being lost before corrective measures could be taken. This present



bill includes an increase in the appropriation, which I requested, for this agricultural service that will accelerate and improve the identification process.

The Santee River Basin is a most important economic area in the State of South Carolina, and, although we are blessed with water as an abundant natural resource, a planning survey has been needed for some time in this river basin to plan for the conservation and efficient use of this water resource in years to come. Under the appropriation increase authorized by this bill, it will now be possible to start this needed survey.

I have long supported soil conservation and watershed programs as a needed protection of our natural resources. It is pleasing to me that a regional soil conservation district, formed in the lower part of my State, will be able to proceed with its forward-looking plans in soil and water conservation because of this bill. This cooperative district has applied for matching funds for important soil conservation measures, which should now be available due to the increase in the resource conservation and development item contained in the bill. This type service will benefit future generations.

Mr. HOLLAND. Mr. President, I thank my distinguished friend, the Senator from South Carolina, not only for his courtesy, but also for his more than gracious reference to the Senator from Florida and to his associates on the subcommittee and on the full committee. We are grateful for his comments.

Mr. President, I yield the floor.

#### STATEMENT ON APPROPRIATIONS FOR PROCUREMENT OF CERTAIN EQUIPMENT OF THE ARMED FORCES DURING THE FISCAL YEAR 1967

Mr. MORSE. Mr. President, my vote was cast yesterday against the conference report on the military procurement bill because the bill represents another installment on foreign policy by military power. We have reached the stage where we vote billions for military force without attention to the uses to which it will be put.

And as our military power is increased, it becomes easier and more tempting to use it anywhere and everywhere a problem for the United States arises.

Through these vast military expenditures, we are substituting force for foreign policy. I think it is time we took a long pause and developed a foreign policy to which our military establishment would be oriented. We are proceeding the other way around. We profess to be aghast when the Chinese say that all power comes from the barrel of a gun, but we are the nation acting on that premise. It was of deep regret to me that this huge hardware procurement was tied in with compensation for members of the Armed Forces. The two should have been considered separately.

I favored the military pay raise. I have favored and supported extensive benefits not only for servicemen, but for veterans. With the exception of the Senator from Texas [Mr. YARBOROUGH], I do not know of any member of this

body who labored longer and harder than I to restore the benefits of the GI bill to men who served after 1955. On June 30, I cosponsored with Senator MONTAYA, of New Mexico, S. 3580, providing for additional readjustment assistance for Vietnam veterans.

This is not a question of providing the best in compensation and benefits for our military people.

Mr. President, I shall shortly introduce a bill that not only would expand the provisions of the GI bill, but also would provide better compensation by way of benefits to the survivors of American men who are being killed in an unconstitutional and unjustifiable war in Vietnam. For the men that survive and are wounded, my bill would provide additional benefits to those that now accrue to them, because in my judgment we owe a great debt to the men who are being sacrificed, either by loss of life or limb, to carry on the U.S. outlawry in southeast Asia in an undeclared war.

However, the issue in the bill that was passed by the Senate yesterday, and to which I was the sole dissenter, is in the nature and direction of our military power, in how it will be used.

In my opinion, we are leaning more and more upon the gun barrel and the bayonet in world affairs.

The Presidential semantics last night was fine. But they bear no relationship to his foreign policy toward Asia. By our actions, the United States has proved we do not believe in partnership with Asia. In practice, we believe that Asia must conform to the American view of how Asia's affairs should be arranged. We intend to do business with Asia on our terms, and our terms will be enforced with military power.

I am satisfied that history will record that all the talk of the President, the Secretary of State, and the Secretary of Defense about seeking and negotiating peace in Asia really rests upon the major premise that our enemies in Asia must surrender first. We are in favor of negotiations if we can get a surrender, but this administration has not demonstrated that it is not insisting on a surrender before it reaches a negotiation.

Mr. President, let us face it: We cannot negotiate on a bilateral basis with any country in Asia with which we are now engaged in an undeclared war. That is why the senior Senator from Oregon has been pleading for more than 3 years that we face up to the fact that any settlement in Asia must be on a multilateral basis, with the United States and South Vietnam on one side of the negotiating table, North Vietnam and the Vietcong and probably Red China on the other side, and noncombatant nations sitting at the head of the table to direct the course of a peace settlement.

What a pity that the same President who talks of a lasting peace that can only come about through "full participation by all nations in an international community under law" continues to ignore the United Nations Charter with respect to American obligations under it.

Oh, yes, it can be said that the administration has submitted a resolution to the Security Council. But the ugly

reality is, Mr. President, that this administration has conducted itself on a pro forma basis in the United Nations in respect to that resolution, for our President has not attempted to use the influence of his office to try to lead the United Nations to a consideration of that resolution.

That is why the senior Senator from Oregon on several occasions, from this desk, has urged that the President go to New York City and make a speech to the world, to the Security Council, or to the General Assembly, calling upon the United Nations to lead the world to peace in Asia, by taking complete jurisdiction over the threat to the peace in Asia, which means taking jurisdiction over American participation in warmaking in Asia, as well as the participation of our enemy.

What a pity that the semantics of the White House are used to cover up the failure of the United States to abide by the Geneva agreement of 1954 for Indochina, for we did as much as any other nation in the world to destroy the solution for Indochina that was worked out at that Conference.

What the President said in his speech last night has no relationship to his actual policy in Asia. The possibility of "reconciliation between nations that now call themselves enemies," which he termed vital to peace, is being pushed further and further into the dim future by the President's war policy in Asia. One can only conclude that this administration thinks the way to reconcile is to destroy first.

Surely, the possibility of any reconciliation with China will require the removal of American military power from her doorstep. Or do we believe that everyone but the United States will bargain and become reconciled with others under threat of destruction?

About one thing the President was right—the importance to the United States of a part of the world where live 3 out of every 5 of its human beings. The question is not its importance; the question is what kind of an Asia will prove most satisfactory to American interests?

The one that will be the most unsatisfactory, the most threatening, and the most unstable will be an Asia trying to free itself from American domination. That is where the President has gone wrong in his Asian policy. His administration is determined to dominate Asia by one means or another, to prevent any country there from ever becoming a threat to the United States. Some areas and countries can be dominated by financial means; others by military means.

But domination, and not partnership or cooperation, is the administration policy in Asia, despite the pious words of the President last night.

The President talks about not seeking any bases in Asia, but the sad fact is that we are building them, and the sad fact is that we are building substantial bases in Asia; and the fact is that we are building them in Thailand, we are building them in South Vietnam, we are expanding bases in the Philippines and Okla-



nawa, and we have passed a bill in this session of Congress that authorizes the building of bases to the tune of a good many hundreds of millions of dollars at the discretion of the President and the Secretary of Defense.

Anyone who thinks that those bases will be built by the United States and then the United States will walk away from those bases, could not be more wrong.

I am satisfied that the United States is building permanent military bases in Asia, and that this will cause the occupation of large parts of Asia by tens upon tens of thousands of American troops for decades and decades to come.

I believe that this is a sorry foreign policy for this Republic, and it is a foreign policy that in my judgment must be changed, or we will start writing the first chapter of the decline of American civilization.

What a pity that the President, who told nations in Asia last night that "victory for your armies is impossible," continues to act in the belief that victory for American armies in Asia is possible. The war in Indochina ended in 1954. The United States revived it when we tried to undo that peace and began to arm South Vietnam. All the things the President told Asians last night about the futility of resort to arms apply equally to his own Asian policy. Sooner or later, the United States, too, will have to turn away from the use of force as a means of establishing a pro-Western base in South Vietnam.

The President's contention that Asia and Europe are the same insofar as American policy and interests are concerned, simply does not stand the test of current history. It does not stand the test of fact, for it relies on perpetuation of Western bases in Asia that are relics of the colonial past. An uphill and costly struggle will be necessary to maintain them. We can expect the price to get higher the longer we try to hang on.

It does not stand the test of reason, for contrary to the President's fine words, it is not the partnership of equals we are seeking in Asia, but the securing of American military interests in the Pacific.

The problem of this administration is that it cannot conceive of a peace or a condition of Asia that is not of its own making. Its overwhelming desire to have an American hand in every government of Asia and an American hand in every relationship between countries in Asia is the most basic ingredient of administration Asian policy. Overmanagement of Asian affairs is the greatest vulnerability of that policy, for it will cost the American people billions of dollars and thousands of lives and it still will never produce an American peace in Asia. The administration sees a threat to our military position in the Pacific wherever it does not control events. And the cost of controlling of three-fifths of the world's people is going to stagger even so rich a country as our own.

I have said nothing in this speech about my view of the lack of morality of our foreign policy in Asia. I have

spoken on that subject many times in the last 3 years. In my judgment, our policy in Asia cannot be reconciled with morality.

Yesterday I voted against the military procurement bill of some \$17 billion-plus because, in my judgment, I have a trust and a responsibility to carry out what I think is a very important check that the Constitutional Fathers wrote into the Constitution: check of the purse strings.

In my judgment, we cannot change the foreign policy of this administration, which is dominated by the military at the present time, until we start checking the expenditure of funds, which means the appropriation of funds. If we will use the check of the purse strings, this administration will be forced to change its foreign policy.

I voted against the military procurement bill yesterday.

I intend to continue to vote against appropriations for the military until there is a change in American foreign policy, for in my judgment American foreign policy is dominated by the Pentagon Building. In my judgment, the Secretary of Defense is the real Secretary of State in this country.

I voted against it because I greatly fear that this great country is on its way to control of our foreign policy by the military if we do not watch out. Therefore, it is important to bring the military under control, and I think it is important that the Johnson administration learn from the American people that they have cause for concern of moving in the direction of military control under a democratic label.

#### HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. HART. Mr. President, I wish to take this opportunity to commend Senator WAYNE MORSE for his persistent and dedicated efforts to secure home rule for citizens of the District of Columbia.

In expressing his intention to offer the home rule bill as an amendment to the higher education bill, the Senator has indeed demonstrated his determination to leave no stone unturned to provide full citizenship for people in the Nation's Capital.

I suspect no one would deny that the District of Columbia represents an anomaly in our democracy. Its citizens are required to pay taxes and assume other responsibilities of citizenship, yet they are deprived of one of the basic privileges available to all other citizens, the right to participate in their own government.

The seat of our National Government should be the epitome of the principles upon which our system of government was founded, and thereby serve as a constant reminder of the merits of a truly democratic society.

In my opinion, Senator MORSE's amendment would substantially accomplish this desirable goal.

I wish to cite two features that would make the District of Columbia structure consistent with proclaimed national principles.

First, the nonpartisan election provi-

sion. This will make the principle of democratic representation a reality by encouraging and enabling the citizens of the District of Columbia to elect those who govern them. This provision would recognize one of our most cherished credos—that there should be no taxation without representation.

Second, the formula for a Federal payment to the District of Columbia. Especially commendable here that is it permits greater flexibility in such payments by varying them on the basis of modifications in the size of Federal establishments and local taxes. This approach to Federal payments will make it possible for the Federal Government to contribute its fair and equitable share to the District of Columbia.

Finally, I hope all Senators will join me in supporting Senator MORSE's praiseworthy efforts to achieve home rule for citizens of the Nation's Capital and thereby make it an example of democratic government.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. MORSE. I am both honored and moved by the statement which the Senator from Michigan [Mr. HART] has just made with regard to the need of the adoption of a home rule amendment this year.

As the Senator knows, I have decided to offer the home rule amendment to the higher education bill when it reaches the floor of the Senate.

I believe that is a particularly appropriate bill on which to add it. If there is anything that we need to be educated about in this country it is the importance of giving to over 800,000 fellow Americans in the District of Columbia the right of self-government.

I wish to say to the Senator from Michigan [Mr. HART], that as a member of the Committee on Foreign Relations who goes to many parts of the world and finds himself from time to time in the capital cities of many of the so-called underdeveloped nations of the world, I have found a greater knowledge and a better understanding of the import of a home rule bill for the people of the District of Columbia than I find in the capital cities of most of the States of the Union.

The fact is that most people in our country are not aware of the significance and the symbolism of the denial of first-class citizenship to over 800,000 fellow Americans in the District of Columbia.

Therefore, as a member of the Committee on Foreign Relations, I wish to say that if there were no other reason for home rule in the District of Columbia than to change the tarnished image that this country has in many underdeveloped areas of the world, that would be reason enough for the adoption of the amendment. Millions of the people in the world do not understand our boasts about democracy and freedom and our denial of it in the Capital City of the Republic to the people who reside here.

I am offering the amendment to the higher education bill after consultation with many advocates of home rule, in and out of Congress, and in both Houses

Calendar No. 1335

89TH CONGRESS  
2D SESSION

**H. R. 14596**

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IN THE SENATE OF THE UNITED STATES

JULY 13, 1966

Ordered to lie on the table and to be printed

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## **AMENDMENT**

Intended to be proposed by Mr. BREWSTER (for himself, Mr. DOUGLAS, Mr. LAUSCHE, and Mr. WILLIAMS of Delaware) to H.R. 14596, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, viz: On page 39, between lines 8 and 9, insert the following:

- 1        SEC. 508. Notwithstanding any other provision of law,
- 2    after January 1, 1967, no producer shall be eligible for price-
- 3    support loans or payments under any program or programs
- 4    administered by the Department of Agriculture in any
- 5    amount in excess of \$50,000 for any one year. The fore-
- 6    going limitation shall include the fair dollar value (as deter-
- 7    mined by the Secretary of Agriculture) of any payment-in-



1 kind made to a producer, but shall not include any payments  
2 made to a producer under title III of the Sugar Act of 1948,  
3 as amended.

**Amdt. No. 643**

**Calendar No. 1335**

**89TH CONGRESS  
2D SESSION**

**H. R. 14596**

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## **AMENDMENT**

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Intended to be proposed by Mr. Brewster (for himself, Mr. Douglas, Mr. Lausche, and Mr. Williams of Delaware) to H.R. 14596, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

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**JULY 13, 1966**

**Ordered to lie on the table and to be printed**

Calendar No. 1335

89<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 14596

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IN THE SENATE OF THE UNITED STATES

JULY 13, 1966

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. MONTROYA to H.R. 14596, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, viz:

- 1 On page 18, line 7, strike out "\$100,000,000" and
- 2 insert in lieu thereof "\$125,000,000".

Amdt. No. 644



**Amdt. No. 644**

**Calendar No. 1335**

**89TH CONGRESS  
2d Session**

**H. R. 14596**

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## **AMENDMENT**

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Intended to be proposed by Mr. Montoya to  
H.R. 14596, an Act making appropriations  
for the Department of Agriculture and re-  
lated agencies for the fiscal year ending  
June 30, 1967, and for other purposes.

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**JULY 13, 1966**

**Ordered to lie on the table and to be printed**

Calendar No. 1335

89TH CONGRESS  
2D SESSION

# H. R. 14596

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IN THE SENATE OF THE UNITED STATES

JULY 13, 1966

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HART to H.R. 14596, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, viz:

- 1 Page 17, line 6, strike out "\$157,000,000" and insert
- 2 "\$171,500,000."
- 3 Page 17, lines 16-17, strike "\$2,000,000" and insert
- 4 "\$6,500,000"

**Amdt. No. 645**



**Amdt. No. 645**

**Calendar No. 1335**

**89TH CONGRESS  
2D Session**

**H. R. 14596**

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## **AMENDMENTS**

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Intended to be proposed by Mr. HARR to  
H.R. 14596, an Act making appropriations  
for the Department of Agriculture and re-  
lated agencies for the fiscal year ending  
June 30, 1967, and for other purposes.

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**JULY 13, 1966**

**Ordered to lie on the table and to be printed**







# **DIGEST** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued July 15, 1966  
For actions of July 14, 1966  
89th-2nd; No. 112

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Community development...19	Loans.....8	Soil surveys.....5
Dairy.....22	Opinion poll.....11	Time.....21
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Farm program.....10	Poverty.....13	Wheat.....1
Farmers.....20	President's speech.....17	

HIGHLIGHTS: Senate approved extension of International Wheat Agreement. House passed foreign aid authorization bill.

### SENATE

1. WHEAT. Agreed to a protocol for extension of the International Wheat Agreement until July 31, 1967. pp. 14936-8
2. RECLAMATION. Sen. Moss commended and inserted an editorial favoring the Central Arizona project dams on the Colorado River. pp. 14922-3



3. MILK. Sen. Proxmire stated he will follow closely the school milk program to ascertain if the funds appropriated are "adequate." p. 14922
4. APPROPRIATIONS. Agreed to limit debate to one hour on each amendment to H. R. 14596, the agricultural appropriation bill, when the bill is considered today, July 15. p. 14942

#### HOUSE

5. SOIL SURVEYS. A subcommittee of the Agriculture Committee approved for full committee consideration S. 902, amended, to authorize this Department to provide soil information assistance to States and other public agencies, including community development districts, for guidance in community planning and resource development. p. D622-3
  6. FORESTS. A subcommittee of the Agriculture Committee approved for full committee consideration H. R. 954, for the relief of certain persons having summer homes in the Pinecrest Recreation Area, Stanislaus National Forest. p. D623
  7. RECREATION. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 936, to establish in Mich. the Sleeping Bear Dunes National Lakeshore; H. R. 2778, amended, to provide for the establishment of the Bighorn Canyon National Recreation Area; and H. R. 8678, amended, to establish in Mich. the Pictured Rocks National Lakeshore. p. D623
  8. LOANS. A subcommittee of the Agriculture Committee approved for full committee consideration H. R. 15510, to authorize this Department to hold prepayments made to the Secretary by insured-loan borrowers and transmit them to the holder of the note in installments as they become due. p. D623
  9. ECONOMY. Rep. Ullman expressed concern for the future of the economy "because of skyrocketing interest rates and the critical imbalance in the national money supply." pp. 15034-6
  10. FARM PROGRAM. Rep. Andrews, N. Dak., claimed there is an "anti-farm attitude of this administration with its hide export controls, cheese import increases and the cutbacks of domestic meat purchases for the military, reductions in school lunch and school milk funds--all designed to push down farm prices." p. 15037
  11. OPINION POLL. Rep. Wydler inserted the results of a questionnaire including items of interest to this Department. p. 15053
  12. WATER POLLUTION. Rep. Devine commended and inserted a speech by Rep. Cramer on the Federal water pollution control programs. pp. 15053-6
  13. POVERTY. Rep. Cramer inserted an article bringing to light "further irregularities in the administration of the war on poverty on the west coast of Florida." pp. 15057-8
- The Rules Committee was granted until midnight July 15 to file a report on H. R. 15111, to make various amendments to the Economic Opportunity Act. p. 14991



any branch of the Government which has a legitimate need for information can call on us for it. By the same token, when we need expertise to help us in evaluation, or in the accomplishment of any of our missions, we will not hesitate to go anywhere in the Government or outside it, within the limitations of security, where we might expect to find the necessary help. But our closest ties, of course, are within the intelligence community, and to the top officials of the executive branch.

Question. What form do your intelligence reports take?

Answer. We disseminate finished intelligence in an infinite variety of formats, tailored to specific purposes. I reported frequently in person, of course, to the President and to the National Security Council. I have mentioned the Estimates, and our "55-foot shelf" of basic background information.

In addition, we have daily, weekly and monthly publications, some global in scope, some for a specific country or crisis. When the situation is truly critical, I have on occasion ordered situation reports as often as every hour on the hour, around the clock. Then there are individual memoranda which give us great flexibility in scope, format, deadlines and distribution. And we also turn out studies in depth which are the equivalent of a scholarly book or a doctoral dissertation. Various publications have dissemination lists, depending on their sensitivity and purpose, which range from less than half a dozen copies to hundreds.

Question. What is the "ancestry" of the CIA in U.S. intelligence activities? Does it operate differently from its predecessors?

Answer. The Agency grew from the need to establish a centralized and objective intelligence organization in peacetime. A primary impetus, of course, was the experience of Pearl Harbor, and the determination to insure against such surprises in the future.

The requirement for a centralized organization stemmed from the successful experience during World War II of the Office of Strategic Services under General Donovan. The requirement was made all the more real by the threat posed by an evangelistic international Communism which became readily apparent shortly after the close of World War II. There was general agreement within the Government that there was need for a non-partisan co-ordinating agency in the intelligence field. As a result, the CIA was created in 1947.

In some respects the Office of Strategic Services of World War II was our ancestor, but it did not have CIA's responsibility for co-ordinating the work of the entire intelligence community, or our requirement for across-the-board coverage.

Question. Does CIA have anything that might be called regulations to govern its activities? Who prescribes them?

Answer. Is there a Government agency nearly 20 years old that doesn't have a rule book? Start with the original legislation, which spells out the mission of CIA and provides that we function at the behest and under the control of the President and the NSC. Under that charter, CIA is governed by several layers of regulations known as the "Nonskids," or National Security Council Intelligence Directives; the DCID's, or Director of Central Intelligence Directives, issued by the Director in his capacity as chairman of USIB, and head of the intelligence community; and finally, as in the case of any other governmental component, CIA's own Agency regulations.

#### HELP FROM "BEST BRAINS"

Question. Do you have any counsel or advisers outside the Government?

Answer. We have several panels of technical experts, both inside and outside the

Government, to keep us informed on new developments and techniques which could be of us to us. On these panels are the best brains in this country, on virtually the entire range of human endeavor. We contract for studies and research projects, wherever in the United States these can best be performed.

CIA has long made it a practice to discuss its evaluations of the international situation with top men in the civilian world. We have done a great deal of this, but we must do still more. One of my last acts with the Agency, for instance, was to order even greater interchange with the nongovernmental experts on China.

Question. Have you found that the sporadic criticism, among the lines that spying is a devious business and that CIA operates without any control, has made people reluctant to work with you?

Answer. I have found no measurable reluctance on these grounds, although there is always the more general concern of the academic world that governmental funds and governmental projects must not be accompanied by unwelcome controls or commitments. On the whole, patriotic citizens in all walks of life are glad to work with us in serving the national-security interest. The intelligence community finds this very gratifying, because it helps us give the President, the executive branch, and the legislative branch the very best judgments that the best minds in this country can arrive at.

#### "UNDER FULL SCRUTINY"

Question. Is there any other Administration control of your operations besides the special National Security Council committee you mentioned?

Answer. The CIA and its activities have been reviewed in detail in the past by Hoover Commission task forces, the Doolittle Committee, the Clark Committee, and several special investigating bodies for specific purposes. On a permanent basis, the entire intelligence community is under continuing and full scrutiny by a most knowledgeable and distinguished board of private citizens appointed by the President. This is the President's Foreign Intelligence Advisory Board, first established in January of 1956 as the Killian Committee, and now under the chairmanship of Mr. Clark Clifford. The present membership includes Dr. William O. Baker of Bell Telephone Laboratories; Mr. Gordon Gray, former Special Assistant to President Eisenhower and onetime president of North Carolina University; Prof. William Langer of Harvard; Gen. Maxwell Taylor; Ambassador Robert Murphy, former Under Secretary of State; Mr. Frank Pace, Jr., former Secretary of the Army and former Director of the Bureau of the Budget; Dr. Edwin Land, head of the Polaroid Corporation; Adm. John Sides, USN (ret.); and Mr. Augustus Long, formerly the top executive of the Texas Company.

This Board meets in full session about every six weeks, to examine in depth and detail the work and the progress of the entire U.S. intelligence program. The meetings last two or three days and include comprehensive discussions with the Director and his senior officers, heads of other intelligence components, and senior officials of the Government who are our "customers."

Upon completion of each such session, the Board reports to the President and makes recommendations for the improvement of the intelligence effort. In addition, the Board has a number of two-man or three-man panels and subcommittees to delve more deeply and on a full-time basis into specific aspects and categories of intelligence work.

Question. What about control of your funds?

Answer. The Central Intelligence Agency budget is reviewed fully by the Bureau of the Budget, which requires the same assurances and justifications for expenditures by intelligence agencies that it requires from any other part of our Government. We are not immune from detailed examination of our requests by the Bureau, nor are we exempt from its skillful pruning knife.

We have to go to Congress for our funds, just like other agencies. The only difference is that, after our requests have been approved by certain special congressional subcommittees, the specific appropriations are then lumped in for passage with other appropriations, to deny hostile intelligence services information about our activities which would be very useful to them. We have meticulous auditing procedures to insure the tightest possible control over the expenditure of funds entrusted to the CIA.

Question. In light of the recurring arguments about a so-called "watchdog committee" for CIA, how much information does Congress actually get—not your intelligence reports, that is, but information about your activities, your budget, and so on?

Answer. Ever since CIA was first established, the Director has been authorized and in fact directed to make complete disclosure of CIA activities to special subcommittees in both the Senate and House.

In the House, the Appropriations Committee and the Armed Services Committee each have a special subcommittee for this purpose.

In the Senate, there are corresponding subcommittees which usually meet jointly.

In addition, the Director reports regularly to the Joint Congressional Committee on Atomic Energy on intelligence matters in that field.

Now, when I say "complete disclosure," I mean complete—and frequent. The CIA is completely responsive to their questions, no matter how sensitive. I have discussed matters with these special subcommittees which are so sensitive that only a small percentage of the personnel in CIA have access to them. And in case there is any suggestion that these meetings are sporadic and casual: In my first 12 weeks as Director I found that I was called to 17 meetings with these congressional committees. Our legislative log for the year 1965 shows that the Director or his senior aides met a total of 34 times with the four special subcommittees.

Question. Are they the only Congressmen who receive information from CIA? Intelligence, that is, as opposed to operational matters?

Answer. No, there were also 19 other committee hearings in 1965, for instance, to obtain substantive intelligence from CIA—and some of these hearings ran as long as three full days to cover the intelligence appreciation of the global situation. We also frequently brief individual members of Congress.

Let me make this distinction clear: I had authority to brief any congressional committee having a jurisdictional interest on substantive global intelligence. But discussion of CIA activities, methods, and sources is another matter. Public Law 80-253 of 1947—that's the National Security Act—makes the Director of Central Intelligence exclusively responsible for protecting the security of the sources and methods of the entire intelligence community. I was authorized by the President and by National Security Council directives to discuss such matters only with the special subcommittees designated for this purpose, not with any others.



## PROTECTING CIA AGENTS

Question. What is the reason for this limitation?

Answer. It is not arbitrary or bureaucratic—we are safeguarding the lives of trusted agents and our own staff people all over the world who contribute to our Government's intelligence objectives.

We owe it to them to take every precaution to protect them—and we owe it to our Government to deny hostile intelligence services even indirect hints or the slightest clues which might enable them to take steps to blunt our intelligence operations, methods and sources.

Question. Do you mean it is a question of security leaks?

Answer. I prefer to say inadvertent disclosure. Even a professional intelligence officer has to be alert to draw the line between information which helps to evaluate or authenticate a piece of raw intelligence, and information which might point to the source or the method we used to obtain it. The more people who have both types of information, the more you multiply the chance that somebody will overstep that line by accident.

Question. How damaging can such disclosures be?

Answer. Well, the minute you even hint that you have information the other fellow has been trying to keep secret, it is one of the first principles of the art that he will do everything possible to locate and destroy your source, or disrupt your method of operation. If the opposition is given any clues to help pinpoint the source, the counterintelligence job is that much easier.

## INFORMATION FOR CONGRESS

Question. Have the special CIA subcommittees in Congress expressed any dissatisfaction over the years that they were not getting enough information?

Answer. We have never withheld any information, substantive or operational, from the four special subcommittees. On some occasions, in fact, they have asked us not to give them the identities of very sensitive sources, because they did not wish to know, and we have complied. If you refer to dissatisfaction with the amount of information which we have—rather than the amount we give them—no professional intelligence operation anywhere in the world is ever satisfied with the extent of its knowledge, and these gentlemen have been working with us long enough so that they have probably acquired this same professional dissatisfaction.

Question. What about the effect of the criticism on your own personnel?

Answer. I think it is an eloquent testimonial to the dedication of the people in CIA that the criticism has not affected their morale. Bear in mind that, by our rules, they cannot answer, deny, or refute the adverse comment, even when it is patently and sometimes viciously false. Add to that the grave responsibilities for the nation's security, the pressure, the anonymity of achievement, and the constant need for security alertness—it is a source of pride, and nothing short of amazement, that we keep our people, and keep getting more good ones.

I asked recently for some statistics on how long our personnel had been with us. The answers showed that more than a quarter of our professional personnel—as differentiated from the clerical—had been with CIA more than 15 years, and that an astounding 77 per cent had 10 years or more of intelligence experience. About 15 per cent have graduate degrees; 5 per cent have the doctorate.

When you consider only the analysts who have the direct responsibility in headquarters for analysis of a foreign area, six out of 10 of them had lived, worked or traveled abroad even before they came to CIA. When you combine all the years required for gradu-

ate study, foreign experience, and then 10 to 15 years of intelligence work, it adds up to an impressive depth of knowledge, competence and expertise at the service of the nation.

I have been careful to stick to percentages, but in actual numbers, we could easily and adequately staff the faculty of a university with our experts. In a way, we do. Many of those who leave us join the faculties of universities and colleges. Some of our personnel take leaves of absence to teach, and renew their contacts with the academic world. I suppose this is only fair; our energetic recruiting effort not only looks for the best young graduate students we can find, but also picks up a few professors from time to time.

Question. What about the criticism that the CIA uses "dishonorable" methods? Do you operate on the principle that the CIA, as a participant in the cold war, is justified in adopting any measures that may be used by the opposing governments—"fighting fire with fire"?

Answer. Let's be quite clear in our minds that an adversary does not go by the Marquis of Queensberry rules. It is a rough fight, and the CIA may have to be clandestine from time to time, but I emphatically reject the word "dishonorable."

The men and women in CIA are, after all, Americans with the same ideals, the same ethics, the same moral codes as the rest of the nation. I have with me a copy of a remark Secretary Rusk made to a press conference last winter, which I would like to read into your record if I may:

"I would emphasize to you that CIA is not engaged in activities not known to the senior policy officers of the Government. But you should also bear in mind that beneath the level of public discussion there is a tough struggle going on in the back alleys all over the world. It's a tough one, it's unpleasant, and no one likes it, but that is not a field which can be left entirely to the other side. And so, once in a while, some disagreeable things happen, and I can tell you that there is a good deal of gallantry and a high degree of competence in those who have to help us deal with that part of the struggle for freedom."

And President Johnson, when he swore me in as Director of Central Intelligence on April 28, 1965, put it this way:

"We have committed our lives, our property, our resources and our sacred honor to the freedom and peace of other men, indeed to the freedom and peace of all mankind. We would dishonor that commitment, we would disgrace all the sacrifices Americans have made, if we were not every hour of every day vigilant against every threat to peace and freedom. That is why we have the Central Intelligence Agency."

Question. Just what are the duties of the Director of CIA?

Answer. The National Security Act of 1947 created the position of Director of Central Intelligence, or DCI, for short. The DCI is not only the Director of CIA—he is also first and foremost the principal adviser on foreign intelligence to the President and the National Security Council. And he is also chairman of the United States Intelligence Board, or USIB, which brings together the entire intelligence community.

Question. Now that you have just left the Central Intelligence Agency after more than 14 months as Director, what is your opinion of the Agency?

Answer. Excellent. It is the finest organization I have ever been associated with. The people at CIA are dedicated, loyal and highly capable. I found the Agency well up to its exacting requirements as our first line of national defense.

## AFTER DOMINICAN CRISIS

Question. Why are you leaving now?

Answer. When President Johnson called me out of retirement from Government service, I asked him first how long I would be needed. He told me I could serve six months, or a year, or as long as he was in office, or until I was satisfied with certain administrative tasks, including, in particular, long-range planning.

I'm taking the fourth option, but I also came close to the one-year hitch. Actually, the President had had my resignation in hand for about three weeks when he announced it. I came in with the Dominican crisis; and you might say it behooved me to stay until peaceful elections brought a duly constituted Government into being.

Question. Admiral Raborn, what are you going to do now?

Answer. I plan to take a short rest and then return to American industry with the Aerojet-General Corporation.

## DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1967—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request which has been cleared with the other side and with the chairman and with the ranking minority member of the subcommittee of the Committee on Appropriations.

I ask unanimous consent that, beginning at 12:15 tomorrow afternoon, when the agriculture appropriation bill becomes the pending business under order of the Senate, there be a time limitation of 1 hour on each amendment, 30 minutes to be allotted to the distinguished chairman of the subcommittee, the senior Senator from Florida, and the other 30 minutes to be allotted to the proponent of the amendment, and that there be 1 hour allotted on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

## UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, July 15, 1966, at the hour of 12:15 p.m., during the further consideration of the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Florida [Mr. HOLLAND]: *Provided*, That in the event the Senator from Florida [Mr. HOLLAND] is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(DO NOT BE QUOTED OR CITED)

Issued July 18, 1966  
For actions of July 15, 1966  
89th-2nd; No. 113

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Child nutrition.....7	Labor standards.....4	Water.....2

HIGHLIGHTS: Senate passed agricultural appropriation bill.

### SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1967. By a vote of 77-2, passed with amendments this bill, H. R. 14596 (pp. 15093-123). Senate conferees were appointed (p. 15122). House conferees have not yet been appointed. Agreed to an amendment by Sen. Montoya (modified) to increase the appropriation for the food stamp program by \$15 million, making the total appropriation \$140 million (pp. 15111-14). Agreed to an amendment by Sen. Hart to provide \$2.5 million additional for school lunch program for special assistance to needy schools, making the total appropriation \$169,500,000 (pp. 15116-18). Rejected, 53-28,



an amendment by Sen. Brewster to limit to \$50,000, to any one person or entity, price support loans or payments in connection with the Food and Agriculture Act of 1965 (pp. 15093-111).

2. WATER. The Foreign Relations Committee reported without amendment S. J. Res. 167, to enable the U. S. to organize and hold an International Conference on Water for Peace in the U. S. (S. Rept. 1373). p. 15085  
Sen. Moss inserted the text of a debate between Canada's Gen. McNaughton, who "opposed export of surplus water to the United States", and himself, "an advocate of the North American Water and Power Alliance". pp. 15143-4
3. EDUCATION. A subcommittee of the Labor and Public Welfare Committee voted to report to the full committee with amendments S. 3046, the proposed Elementary and Secondary Education Act Amendments of 1966. p. D627
4. LABOR STANDARDS. A subcommittee of the Labor and Public Welfare Committee approved for full committee consideration with amendments H. R. 13712, to increase minimum wages and extend such coverage to additional employees. p. D627
5. RECLAMATION. Sen. Kuchel inserted Floyd E. Dominy's, Commissioner of Reclamation, address: "Reclamation Is Conservation". pp. 15126-9
6. TRANSPORTATION. Sen. Bartlett discussed current developments in the field of containerization and inserted articles, "Beef Export By Container A Reality" and Exports of Meat Expected to Rise: New Shipping Developments Create Favorable Climate". pp. 15149-51
7. CHILD NUTRITION. Sen. Proxmire expressed hope that the House will "act quickly" to pass the Ellender child nutrition bill. pp. 15142-3
8. FOREIGN AID. Sen. Lausche submitted two amendments to S. 3584, the foreign aid authorization bill, which he stated "would allow, whenever the President so determines that it is in the national interest, extending the number from 10 to a number above in the case of development loans, and to a number above 40 in the case of technical aid assistance" (p. 15087). This bill was made the unfinished business of the Senate (p. 15154).  
H. R. 15750, to amend further the Foreign Assistance Act of 1961, was placed on the calendar. p. 15085
9. ADJOURNED until Mon., July 18. p. 15155

ITEM IN APPENDIX

10. FOREIGN TRADE. Extension of remarks of Rep. Cameron stating that "the economic plight of India must be alleviated", and commended that government's announcement outlining a policy of liberalization of restrictions on imports. pp. A3741-2

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COMMITTEE HEARING JULY 18:

Sale of grain storage facilities to nonprofit agencies, H. Agriculture (Fitzgerald, ASCS, to testify).



Hanalei Plantation manager Barry Yap said, "It hasn't hit us yet, because we usually don't feel things until a week or ten days after Honolulu."

Lloyd was about the only one who saw a bright spot in the strike.

"We use a lot of college students as workers in the hotel, and as a rule they all quit right after the fourth of July.

"Their leaving this year coincided with the strike, so we've got a little breathing space to find new employees."

Mr. FONG. Mr. President, so that President Johnson may learn of the situation in Hawaii, I am sending him copies of these documents by special messenger today.

I conclude by once again urging President Johnson to forgo his hands-off policy and instead take a direct hand immediately in settling the airline mechanics strike. Negotiations should be held under White House auspices in around-the-clock sessions, as was done in last year's impending steel strike, so that strike will be quickly settled.

#### DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1967

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate, under the unanimous-consent agreement entered into yesterday, the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

The Senate proceeded to consider the bill.

Mr. BREWSTER. Mr. President, I

send to the desk an amendment and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 39, between lines 8 and 9, insert the following:

"Sec. 503. No part of the amount herein appropriated shall be available for price support loans or payments in connection with the Food and Agriculture Act of 1965, in excess of \$50,000 to any one person, firm, partnership, or corporation, but not including any payments made to a producer under title III of the Sugar Act of 1948, as amended."

The ACTING PRESIDENT pro tempore. How much time does the Senator from Maryland yield himself?

Mr. BREWSTER. Mr. President, I yield myself such time as I may need.

Mr. President, over the past 7 years, on many occasions, I have opposed our present agricultural policy. In all truth, I should like to see this country return to more of a free agricultural market. This, of course, is not entirely possible because of the policies we have pursued over the past 20 years and more; but I believe it is time to stop and take stock.

Therefore, I propose this very simple amendment which the clerk has already reported. It would impose a limitation that no one single producer, individual or corporate, could get direct payments or loans of more than \$50,000.

The Senate voted on this proposal last year and, if my memory serves me correctly, I believe it was defeated by some 49 to 42 votes. The vote was very close. But, each year I have served in Congress, we have heard reports that through high subsidies and price supports ultimately we will cut down the cost of the agriculture program. The

truth is, and I read from the first page of the committee report on this measure, that last year we paid \$6,381,488,500 to support our entire agricultural program, and now the Appropriations Committee reports a proposal this year that we pay \$7,022,638,000—an increase of nearly \$700 million for a program that the President said should be reevaluated.

I quote from the state of the Union message of the President 2 years ago:

A major effort to find new approaches to reduce the heavy cost of our farm programs and to direct more of our efforts to our small farmer who needs help.

I therefore suggest that if we are sincere and are trying to help the small farmer, this limitation on the big producer is entirely appropriate.

Less than 2 percent of the farmers of America gross more than \$100,000 a year, yet they take home 20 percent of the subsidy program.

I admit that the amendment I offer today will not amount to a tremendous saving—somewhere short of \$25 million—but it is a step in the right direction.

Mr. President, I have the facts on what was paid to American farmers in 1964, a complete list of all farmers who received over \$25,000 a year in either direct purchases or loans and the amounts that they repaid on loans that they did not fully redeem.

Mr. President, I ask unanimous consent to have printed in the RECORD this list by State, by commodity, and by name.

The PRESIDING OFFICER (Mr. Moss in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer

(NOTE.—The lists below include only those producers who received individual loans of \$25,000 or more on one commodity. It is possible that other producers received \$25,000 or more from CCC loans by obtaining several loans on the same or dif-

ferent commodities, each for less than \$25,000. It is also possible that the producers named on the attached lists obtained additional amounts on other loans, each for less than \$25,000. CCC carries out its loan operations on a decentralized basis at many

locations throughout the country and maintains all records on a commodity basis; therefore, preparation of lists showing the total amount received from CCC loans by a producer who obtained more than one loan would not be administratively feasible.)

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
<b>BARLEY</b>				<b>GRAIN SORGHUM</b>			
Arizona:	<i>Bushels</i>			Arizona:	<i>Hundred-weight</i>		
Younger Farms Co., Buckeye.....	218, 205	\$200, 748. 60	\$200, 748. 60	Jack Robison & Sons, Willecox.....	49, 903	\$98, 308. 91	-----
Gila River Ranches, Inc., Gila Bend.....	71, 530	65, 807. 60	65, 807. 60	Kinard & Greer, Willecox.....	33, 702	78, 820. 18	-----
Enterprise Ranch, Inc., and Arizona Land & Cattle Co., Buckeye.....	30, 057	27, 652. 44	27, 652. 44	Floyd H. Robbs, Willecox.....	25, 561	62, 075. 56	\$1, 634. 41
California:				Gilmore & Riggs, Willecox.....	12, 436	30, 468. 43	1, 057. 07
Westlake Farms, Stratford.....	971, 333	937, 336. 20	937, 336. 20	Kansas:			
Five Points Ranch, Inc., Five Points.....	296, 374	284, 519. 04	284, 519. 04	Glen C. Gaskill, Moscow.....	16, 718	29, 256. 01	-----
E. L. Wallace, Woodland.....	58, 258	56, 801. 62	56, 801. 62	J. David Sullivan, Ulysses.....	15, 886	26, 052. 87	26, 052. 87
J. H. Austin, Fresno.....	26, 257	25, 731. 86	25, 731. 86	J. R. Kapp, Moscow.....	14, 473	25, 327. 22	-----
Idaho:				Nebraska:			
Robert W. Hubbard, Soda Springs.....	59, 750	50, 280. 41	50, 280. 41	F. Lucile Hammond and Tad D. Hammond, Nebraska City.....	31, 683	58, 296. 72	-----
W. S. Shufeldt & Sons, Soda Springs.....	56, 741	47, 946. 31	47, 946. 31	Guy J. Barr, York.....	22, 176	39, 473. 28	-----
Gaylen Christensen, Tremonton, Utah.....	36, 180	30, 753. 00	9, 238. 39	A. L. Rosener & Sons, Daykin.....	20, 868	37, 979. 76	-----
Minnesota: Keith Driscoll and Raymond Driscoll, East Grand Forks.....	31, 590	25, 272. 00	16, 128. 00	Dale Lovegrove, Geneva.....	20, 966	37, 948. 46	-----
Oregon: Tulana Farms, Klamath Falls.....	182, 292	157, 682. 29	157, 682. 29	Wayne Lyon, Merna.....	22, 261	37, 621. 09	-----
Washington: S. T. S. Farms, Inc., Prescott.....	19, 764	25, 693. 20	25, 693. 20	Kreutz Bros., Inc., Giltner.....	18, 850	33, 176. 00	-----
				Frank Higgins, Schuyler.....	18, 954	32, 411. 56	-----
				Sheridan Bros., Sutton.....	17, 735	31, 745. 65	-----
				Robert D. Lovegrove, Fairmont.....	17, 136	31, 022. 16	6. 00
				Forrest Binder, Table Rock.....	16, 330	30, 047. 20	-----
				Lamonte Sahling, Kenesaw.....	17, 136	29, 816. 64	29, 816. 64
				John E. Halloran, Hastings.....	16, 378	29, 152. 84	-----
				John Kroger, Jr., Rosalie.....	15, 271	27, 335. 09	-----
				Schurigar Bros., Inc., and Schurigar Farms, Inc., Kenesaw.....	14, 816	26, 372. 48	-----
				Marion Johnson, Loomis.....	16, 127	26, 341. 36	26, 341. 36
				Fred Schwindt, Jr., Clay Center.....	14, 144	25, 317. 76	-----
<b>BEANS, DRY EDIBLE</b>							
California: Gnesa Bros., Patterson.....	<i>Hundred-weight</i>						
Idaho: William Hepworth and Jack Duncan, Rupert.....	6, 324	52, 671. 94	52, 671. 94				
Michigan:							
Michigan Cooperative Bean Marketing Association, Lansing.....	15, 993	114, 190. 02	34, 272. 00				
Mable Graham, Breckenridge.....	3, 985	28, 451. 11	-----				
Frank Kulhanek, St. Charles.....	3, 507	25, 039. 19	-----				



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
GRAIN SORGHUM—continued				GRAIN SORGHUM—continued			
New Mexico:	<i>Hundred-weight</i>			Texas—Continued	<i>Hundred-weight</i>		
Delbert Holloway, Clovis	25,892	\$49,052.07		Meyer Bros., Wildorado	19,463	\$37,563.58	
Jewel Castor, Clovis	22,152	42,753.17		James Fangman, Hereford	17,695	37,474.07	
Texas:				V. H. Kellison, Lockney	18,523	37,230.44	
Tyline N. Perry, Kress	67,422	135,814.15		Ivan Block, Hereford	18,648	37,109.52	
Charles Heck, Jr., Nazareth	53,730	107,104.75		J. C. Mills, Abernathy	16,976	37,007.03	
J. Meredith Tatton, Refugio	46,111	96,832.90		Calvin Petty, Dimmitt	16,958	36,968.43	
Lloyd M. Bentsen, Mission	41,625	90,040.91		Donald J. Meyer, Hereford	21,199	36,886.73	
J. C. Mills, Abernathy	37,568	82,929.81		Bill Boulton, Farwell	19,178	36,576.34	
Taft McGee, Hereford	44,853	78,044.31		Houston Lust, Dimmitt	16,744	36,501.93	
Carl Easterwood, Dimmitt	43,063	75,973.44	\$75,973.44	Roy Strasburger, Temple	16,119	36,490.57	
T. A. and K. G. McKamey, Taft	25,456	75,813.17		Clinton Glenn, Canyon	20,882	36,454.49	
Warner Reid, Tulia	41,375	72,669.11		Jackson & Hoepfner & Driscoll Foundation, Corpus Christi	16,764	36,416.36	
Miller Farms Co., Tulia	38,858	67,612.55		Wilbur Wilson, Plainview	17,383	36,330.47	
John A. Raymond Smith, Hereford	30,770	65,034.05		Tom Priestly, Corpus Christi	17,085	36,049.63	
Martin & Marion, Hereford	33,120	63,965.65		Charles and Mabel Elliff, Agua Dulce	20,712	36,039.23	
G. L. Willis, Dimmitt	31,378	63,294.95		Higgins & London, Hereford	19,000	35,881.24	
Simmonds & Perry, Robstown	29,493	62,230.86		Jack R. C. Vincent, Amarillo	18,660	35,828.04	
W. J. Giles, Dimmitt	29,956	60,991.90		Adkins & Son, Amarillo	17,024	35,792.99	
Don Williams, Farwell	34,853	60,644.92		Jim Sam Howze, Robstown	17,171	35,724.07	\$30,360.68
Stiles Farm Foundation, Thrall	26,602	60,531.34		E. D. Chitwood, Jr., Muleshoe	17,903	35,641.10	13,958.77
Miller Farms, Fort Worth	29,589	60,480.56		Marble Bros, South Plains	17,985	35,583.99	
Corliss H. Currie, Happy	28,262	58,552.82		Gordon Taylor, Sunray	16,906	35,512.08	
S. A. McCathern, Hereford	33,504	58,297.13	28,910.10	Lyons Bros., Hereford	18,348	35,499.83	
Nelson D. Durst, Eleanor Chance Couch, and Patience Chance Thomas, trustees under the wills of George G. Chance, deceased, and Georgia Chance, deceased, Bryan	28,839	58,254.78		Charles Norfleet, Hale Center	18,231	35,186.60	
O. A. and C. E. Webb, and Charles Saigling, Abernathy	33,451	58,205.43		T. L. Abernathy, Jr., Tulia	16,808	35,004.56	
J. L. Massey, Robstown	27,556	58,142.67		Don Motheral, Kress	20,117	35,004.45	
Gerald McCathern, Hereford	32,340	58,094.90		Clayton Bros., Springlake	20,115	35,000.10	
Autry & Baldrige, partnership, Dimmitt	28,690	55,945.89		John Range, Farwell	17,991	34,903.31	
Ware Farms Co., Dimmitt	30,435	55,375.37		T. C. Garner, White Deer	17,000	34,849.99	
John H. Goodwin, Sunray	31,740	55,227.25		Bob Anthony, Dimmitt	15,818	34,483.46	
J. C. Mills, Abernathy	25,056	54,883.26		R. D. and Billy McClellan, Sunray	19,791	34,436.69	33,436.69
Elmo Stevens, O'Brien	31,394	54,625.71		Robert E. Hooper, Plainview	17,739	34,414.82	
John Trimmer, Jr., Hale Center	31,249	54,373.97		Oscar Mayfield & Sons, Taft	16,291	34,373.50	
J. D. Kirkpatrick, Bovina	30,580	54,232.34		Harvey and W. A. Spurlock, Sunray	19,717	34,308.34	
L. G. Mahagan, Kress	28,920	52,620.89		Chester Clark, Hereford	19,627	34,151.75	
David Nelson, Hart	30,075	52,330.50		Jack Smith, Lazbuddie	16,924	33,101.83	
Mrs. Anna Blake Head, ind. executrix, estate of Rand Morgan, deceased, Clarkwood	23,731	51,733.19		H. H. Parker, Hart	17,984	34,050.00	
Hosea Foster, Canyon	26,128	51,730.76		D. C. Dilley, Borger	19,517	33,960.42	
Aubrey Harper, Robstown	24,380	51,440.93		Calvan Robertson, Plainview	18,051	33,950.63	
George E. Bennett, Hart	24,396	50,662.54		Akin & Tunnel, Plainview	19,489	33,910.16	
Tom Miller, Dimmitt	26,767	50,335.03		Morgan Sturgess, Tulia	19,459	33,858.20	
Floyd Webb and Smith Webb Burruss, Mathis	22,254	49,848.82		Mildred Lowman, Bishop	16,019	33,799.20	
Frank Wise, Dimmitt	22,717	49,522.86		G. A. Parr, Alice	19,299	33,580.66	
Jack Miller, Dimmitt	25,739	49,402.44		Wallace Corse, Sunray	15,388	33,544.93	
Amko Farming, Inc., Corpus Christi	22,458	48,958.75		W. G. Sanderson, Dimmitt	19,250	33,495.00	
C. B. Brittain, Sinton	23,027	48,586.33		Billy John Thorn, Friona	19,250	33,495.00	
Aubrey Harper, Jr., Robstown	22,808	48,125.24		Bill Brown, Lazbuddie	19,211	33,426.33	
Mrs. Ollie Knight Jackson, Corpus Christi	27,633	48,081.54		Gordon H. Branham, Plainview	19,000	33,060.00	
Monroe Bros., Sunray	22,296	48,013.36		Dalton Caffey, Friona	18,977	33,020.71	9,952.80
L. T. Wood, South Plains	26,121	47,721.82		C. B. Womble and R. R. Strain, Hereford	15,135	32,993.64	
R. J. Cluck, Dimmitt	24,308	47,457.23		Rayphard Smithson, Dimmitt	17,814	32,870.62	
Raymond Blodgett, White Deer	23,449	47,133.19		L. D. Ballard and Howard Hurt, Plainview	15,000	32,549.69	
F. J. Mears, Jr., Dimmitt	22,302	47,012.02		Buford Carter, Vega	18,661	32,469.44	
Roy Montague, Silverton	26,646	46,364.03		Garner Bros., Bovina	14,870	32,417.48	
Harvey Brock, Hereford	25,239	45,934.17		J. T. Holcomb and W. E. Uselton, Springlake	18,563	32,300.31	
Marble Bros. and Paul Kropp, South Plains	23,109	45,647.74		S. A. Fangman, Hereford	18,535	32,250.81	
Bromm Bros., Hereford	21,115	45,400.78		Jack Middleton, Tulia	16,868	32,196.97	
Wade E. Clark, Kress	23,454	45,265.63		Jack Robertson, Plainview	18,471	32,140.33	
W. W. Walton, Corpus Christi	20,430	44,458.29		R. R. Rule, Friona	16,649	32,046.54	
L. D. Griffin, Silverton	23,966	44,216.53		Roy Browder, Sunray	18,404	32,022.41	
Allan Webb, Dimmitt	22,532	43,487.14		L. M. Britten, Groom	15,239	32,020.67	
C. H. Mayo, Taft	20,461	43,173.35		O. D. Jackson, Vega	14,738	31,891.73	
J. M. Dellinger, Jr., Alice	20,373	42,927.01		C. Ralph Blodgett, Spearman	15,247	31,866.02	
Bennett Bros., Pearsall	19,756	42,865.52		W. M. Sherley, Lazbuddie	18,295	31,833.30	
B. L. Moore, Dimmitt	20,067	42,668.28		A. L. Hartzog, Farwell	18,124	31,536.11	
W. H. Gentry, Hereford	24,135	41,995.25		Wallace Cannon, Plainview	14,652	31,500.94	
Una C. Dowd, Chapman Ranch	19,244	41,951.98		Leroy Robison, Sunray	18,006	31,330.44	
J. H. Burkett, Sunray	23,993	41,756.45		W. E. Burnett and Neal Burnett, Plainview	17,980	31,285.72	
Travis Dyer, Bovina	22,151	41,564.82		Dennis L. Allison, Happy	14,281	31,275.39	
Glenn Merritt, Hart	19,172	41,356.11		Andrew Price, Kress	17,010	31,060.60	
Don Dimball, Wildorado	21,227	40,967.41		H. C. Davis, Hart	15,339	30,991.80	
Fred Dunn, Dimmitt	20,259	40,914.17		Taylor and Fortenberry, Lockney	17,787	30,950.06	
John Cole, Waka	23,420	40,750.80		H. W. Sisemore and J. W. Treadwell, Hale Center	15,366	30,885.27	
Dan Heard, Dimmitt	18,718	40,640.21		Jimmy Cluck, Hart	17,649	30,709.78	
Palo Alto Farms, Bishop	18,956	40,636.93		Silvas Bros. and Alex Boyd, Port Lavaca	14,011	30,603.10	
Tide Products, Inc., Edinburg	18,511	39,880.29		Robert Huseman, Nazareth	14,988	30,557.88	
Merrill Dryden, Sunray	18,818	39,767.89		Edwin Adams, Plainview	15,796	30,443.46	
Dulaney Bros., Dimmitt	20,109	39,763.79		J. E. McCathern, Jr., Hereford	16,795	30,406.07	
J. H. Kirby & Sons, Hale Center	20,383	39,338.82		Joe P. Hart, Hart	15,702	30,305.62	
H. N. Keisling, Sunray	22,393	38,964.64		Jim Bob Curry, Hale Center	16,363	30,224.64	12,768.00
Roy M. Lamb, Amarillo	21,443	39,919.27		Herbert Friemel & Sons, Hereford	13,955	30,003.26	
Harlan L. Barber, Hereford	19,745	38,503.04		Luther Browder, Sunray	17,240	29,997.72	
Ralph W. Shelton, Friona	22,118	38,485.32		Jack George, Hart	17,226	29,973.46	
Epperson & Downing, Inc., Hereford	19,726	38,465.67		O. V. Wilson, Kress	17,208	29,941.75	
Lloyd Glenn, Tulia	21,585	38,007.55		B. R. Bennett, Hart	14,158	29,872.87	
Ocker Bros., Corpus Christi	17,388	37,905.84		J. M. Kendrick, Nazareth	15,383	29,843.20	
John Renner, Friona	21,705	37,766.70		Dryden Farms, Robstown	14,526	29,788.90	
Joseph F. Green Heirs, Taft	17,882	37,730.98		Wright Bros., Robstown	14,114	29,781.18	5,727.18
Lester Cole, Friona	21,660	37,689.10		Don Sudderth, Bovina	17,057	29,678.48	
Berta Cunningham Estate, Chapman Ranch	17,268	37,644.58		M. N. Smith, Tulia	15,287	29,657.56	
				Richard Lupton, Nazareth	15,543	29,615.04	
				Gilbert Wenner, Friona	16,943	29,480.48	
				Alton Morris, Muleshoe	13,992	29,459.24	
				Victor Harman, Happy	16,930	29,457.67	29,457.67



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
GRAIN SORGHUM—continued				GRAIN SORGHUM—continued			
Texas—Continued	Hundred-weight			Texas—Continued	Hundred-weight		
W. C. McDaniel, Sinton	13,932	\$29,396.67		Edgar Rathkamp, Tivoli	12,268	\$25,762.80	
Brooks & Brooks, Hart	15,125	29,342.49		C. F. Harris, Plainview	13,378	25,724.87	
R. W. Barton, Kress	16,862	29,340.23		Sam Rundell, Farwell	13,595	25,722.76	
Melvin Jennings and O. Sheppard				Floyd Tomlinson, Canyon	14,769	25,697.36	
Thomas, Tulia	14,787	29,339.38		Ralph Britten, Groom	12,596	25,646.36	\$7,113.27
Phillip Haberer, Earth	13,910	29,329.12		Jerry Young, Plainview	12,921	25,615.63	
L. A. Lance & Sons, Bovina	16,705	29,066.70		Jack Jackson, Abernathy	12,143	25,534.13	
T. G. and R. L. Jackson, Austwell	13,814	29,008.99		Everett Heller, Kress	11,634	25,496.45	
Fred Bruegel, Jr., Dimmitt	16,669	29,003.37		Roy Roberts, Olton	12,869	25,477.59	
J. S. Hays, Tulia	14,128	28,902.65		Leo Szydoski, Happy	11,628	25,466.20	
R. W. Shelton, Friona	16,506	28,877.57		Paul Schniederjan, Bushland	13,217	25,376.56	
Walter E. Stone, Robstown	13,622	28,741.66		A. T. Kleman, Dimmitt	12,538	25,367.27	
Ray Groce, Petersburg	13,179	28,729.36		Mrs. Jessie Herring, Johnson Estate,			
Robert W. Kinkaid, Plainview	14,844	28,648.15		Vernon	14,554	25,324.48	
Lee Renner, Friona	16,413	28,557.92		John A. Abbott, Harlingen	12,919	25,321.44	25,321.44
Max Rarick, Bushland	14,799	28,413.90		Ted Richardson, Hereford	14,552	25,319.78	
Dick Geries, Farwell	15,693	28,389.30		Homer Bartram & O. C. Harris, Lock-			
Mike Allen, Friona	14,059	28,328.06		ney	11,313	25,228.88	
Daniel P. Moore, Portland	13,417	28,309.12		E. L. Howard, Friona	13,100	25,209.65	
Horne Bros., Plainview	16,255	28,283.79		Bobby McCormick & Paul Cooper,			
S. R. Hutto, Hart	13,078	28,232.44		Lockney	13,103	25,158.33	
G. O. King, Plainview	13,960	28,129.90		Wayne Foster, Farwell	12,479	25,144.56	
Walter Mattiza, Robstown	13,525	28,128.78		Carl Bruegel, Dimmitt	14,477	25,138.48	
J. F. Whitsett, Tulia	14,249	28,096.19		Melvin Brock, Lockney	12,807	25,102.29	
P. P. Stubblefield, Kress	14,408	28,095.43		F. L. Eicke, Hereford	11,532	25,025.30	
Dehnisch Bros., Mathis	13,304	28,072.33		Paul Toliver, Plainview	11,963	25,001.84	
Earl Hillman, Kress	15,346	28,036.13					
A. T. Frye and Steve Barousett, Dawn	16,072	27,964.55		OATS			
Walterscheid Bros., Hereford	16,070	27,962.03		Georgia: C. T. Kersey, Sr., Elko	Bushels		
Ernest Sluder, Bushland	14,525	27,887.54		Idaho: Robert Myers, Bonners Ferry	45,900	34,884.00	34,884.00
M. A. Snyder, Jr., Farwell	14,429	27,848.75		Mississippi: Loyco Makamson, Sidon	62,100	39,744.00	
Milburn Haydon, Hart	16,000	27,840.00		North Dakota: Ballantyne Bros., West	69,636	47,842.76	27,655.38
Alban Farms, Hereford	15,984	27,812.51		Hope	57,150	29,718.00	
C. C. Ellis, Hereford	15,984	27,811.81		Oregon:			
Iris Touchstone, Dimmitt	13,938	27,693.47		Tulana Farms, Klamath Falls	953,125	601,015.62	555,078.13
Odell Jennings, Tulia	14,137	27,666.64		Murel A. Long, Merrill	61,875	43,312.50	393.75
A. E. Lewellen, Plainview	15,895	27,657.53		South Carolina:			
Vernon Garrison, Silverton	14,199	27,609.18		Kirkland & Best, Ulmers	51,030	37,432.80	18,262.80
R. K. Brooks, Tulia	15,836	27,554.22		W. R. Mayes, Mayesville	44,959	34,168.84	34,168.84
Paul Kropp and Mae Bryant, Lockney	14,169	27,538.25		J. C. Oswald, Allendale	39,478	29,791.95	29,791.95
J. W. Setliff, Robstown	13,037	27,503.54		South Dakota:			
J. M. Wright, Dimmitt	15,806	27,502.44	\$19,517.53	Elkhorn, Martin	57,600	33,408.00	
J. F. Clark, Nazareth	14,156	27,406.48		J. E. Cheek Estate, Pierre	49,435	28,177.95	28,177.95
Melvin Barton, Hereford	14,362	27,363.50					
C. R. Kay, Plainview	14,103	27,336.35		RICE			
Howard Sharp, Tulia	12,682	27,266.75		Arkansas:			
Deta Blodgett, Spearman	13,011	27,193.20		Arkansas Rice Growers Cooperative			
C. N. Cooke, Corpus Christi	12,473	27,190.61		Association, Stuttgart	1,975,974	10,192,868.95	10,192,868.95
W. H. Long, Friona	15,625	27,186.92		Producers Rice Mill, Inc., Stuttgart	729,000	3,717,900.00	3,717,900.00
J. M. Young, Dimmitt	12,877	27,183.76		MeAllister Seed Service Co., Walnut			
Jack W. White, Summerfield	14,120	27,110.39		Ridge	29,676	146,163.14	146,163.14
Bob Kay, Dimmitt	12,428	27,093.92		Alice Sidney Farms, Lake Village	26,142	135,440.55	135,440.55
James D. Doan, Tulia	13,016	27,085.58		W. B. Bynum, Dermott	26,928	129,505.56	129,505.56
Walter Taack, Lockney	14,318	27,014.02		Lee Wilson & Co., Wilson	23,007	110,560.13	110,560.13
Harold Ray Caraway, Tulia	13,472	26,977.40		Charles J. Peacock, Jr., McCrory	16,793	89,832.61	83,810.99
J. W. Taylor Estate, Lockney	15,466	26,909.97		James E. McDaniel, Jonesboro	17,817	86,621.09	86,621.09
A. L. Hollingsworth, Hereford	15,464	26,906.66		W. C. Bradley, Walnut Ridge			
O. W. Maehen, Banguete	12,740	26,882.25		Kehi Plantation, Marion	16,042	81,631.71	
Ray Copeland & Son, Olton	13,903	26,832.42		F. K. Bradshaw & Son, Hamburg	14,700	77,929.98	77,929.98
Dennis Kotara, Panhandle	13,237	26,831.87		W. A. Baker, George Birmingham, and			
Mrs. Mary A. Sanders, Corpus Christi	12,307	26,829.39		Aubrey E. Birmingham, Grady	12,422	68,227.86	
Mrs. Gertrude Luby, Corpus Christi				W. H. Hanna, Montrose	12,895	67,377.46	67,377.46
John A. Williams, Canyon	13,538	26,827.07		Charles H. Smith and Charles Bullock,			
Charles H. Friemel, Canyon	14,914	26,790.93		Boydell	12,958	66,557.45	66,557.45
George Heard, Hereford	12,286	26,783.49		James E. McDaniel, Jonesboro	11,432	61,564.45	60,759.45
A. J. Givens, Plainview	13,507	26,743.07		Tueker Blankenship, Corning	12,592	60,854.50	60,854.50
Carl Pate, Kress	15,361	26,728.49		R. D. Williams, Jr., Diaz	12,633	57,879.95	57,879.95
T. G. McKinney, Dimmitt	12,235	26,671.23		David N. and James D. Ford, Sherrill	10,570	57,872.64	57,872.64
E. M. Gossett, Jr., Dumas	15,859	26,600.84	26,600.84	Taggart & Taggart, Inc., Augusta	10,470	56,474.64	56,474.64
Everett Wiseman, Vega	15,991	26,545.06	26,545.06	Hildebrand Farms, Inc., Stuttgart			
Roman Friemel, Hereford	12,219	26,515.23		Raymond Hildebrand, Moscow	11,051	55,288.12	55,288.12
W. D. Howard, Jr., Farwell	15,210	26,465.40		Doyle & Wilms, Diaz	12,186	53,876.35	53,876.35
Lorenza Lee, Hart	13,785	26,426.46		Elmer Ferguson, DeWitt	10,526	53,487.70	53,487.70
Fred Mercer, Silverton	15,180	26,413.90		Leon J. Garot, DeWitt	10,671	52,604.25	52,604.25
Virgil Marsh, Hereford	15,172	26,399.72		Robert P. Lewis and Carl Price, Eng-			
Jimmy McLaughlin and Pete Mc-				land	10,225	50,305.77	
Laughlin, Plainview	12,102	26,382.35		C. E. Newman, Fair Oaks	9,921	48,323.36	32,743.55
Robert E. and Eugene O. Heath, Hale				Powell Bros., Eudora	9,178	48,161.44	48,161.44
Center	13,107	26,345.46		Pinchback Planting Co., Grady	8,856	44,645.40	44,645.40
Doyld Davis, Hart	13,612	26,310.97		Lester Fetzler, Hickory Ridge	8,297	43,295.45	43,295.45
Alice B. Simmonds estate and L.S.T.				R. C. Gilbrech, Holly Grove	8,740	43,021.50	43,021.50
Farms, Robstown	12,442	26,251.96		Lawrence Digman and Hines Digman,			
Mercer T. Ivey, Taft	12,437	26,241.03		Walnut Ridge	7,652	42,561.74	42,561.74
J. E. Howard, Plainview	15,077	26,233.63		Lovett Farms, Grady	8,185	42,065.99	28,589.75
Harvey Milner, Tulia	15,075	26,229.74	18,381.14	J. T. Carothers, Lake Village	7,868	41,543.04	41,543.04
John C. Carter, Plainview	13,485	26,161.28		John Sehenk, Monticello	8,260	41,064.77	41,064.77
H. D. Moore and Vinita McClain,				E. R. Coleman, Dowdy	8,145	40,684.95	40,684.95
Wildorado	15,027	26,147.61		J. P. Duncan, Dermott			
Forrest Vise, Happy	12,788	26,086.21		W. R. Smith, Lake Village	7,983	40,665.35	7,938.00
Lewis Sharp, Tulia	14,550	26,064.18		E. F. Smith & Sons, Readland			
Roma Boggs, Kress	13,553	26,022.35		Ralph Wimpy, Harrisburg	8,295	40,277.51	40,277.51
Felix Mote, Tulia	12,984	26,007.05		Truman Loftis, Bob Carllee, and			
Kenneth Heard, Littlefield	11,922	25,990.18		Louis Carllee, England	8,819	40,213.63	
Donal Akin, Floydada	12,638	25,974.64		Nehon Hagler, Cherry Valley	7,841	40,000.07	40,000.07
A. C. Glenn, Kress	13,441	25,940.95		A. L. Marsh, Ruth Marsh, and Kath-			
Young Bros. and R. E. Young,				leen M. Barber, McCrory	8,403	38,396.97	38,396.97
Floydada	13,290	25,914.73		Tommy Hillman, Stuttgart	7,160	38,023.30	38,023.30
Melvin May, Hereford	14,859	25,854.97	25,854.97	Southern Rice Farms, Carlisle			
George Heck, Tulia	13,175	25,847.07		Ralph R. Watkins, Stuttgart			
Bob Hammonds, Farwell	14,847	25,833.43		Geeridge Farm, Inc., Stuttgart	6,729	37,844.04	37,844.04
Clyde Bradford, Happy	12,177	25,808.63		Big Ditch Irrigation Co., Stuttgart			
Nelson Burton, Sunray	14,820	25,786.88		Robert Johnson, Cash	6,859	37,667.20	35,810.10
Claude Higley, Stinnett	12,211	25,764.64					



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
RICE—continued				RICE—continued			
Arkansas—Continued	Bushels			Mississippi—Continued	Bushels		
H. B. Chambliss, Pine Bluff	6,894	\$37,046.70		J. L. Wilson, Jr., Rosedale	8,617	\$39,772.43	\$39,772.43
Chester Rutledge, Leon Rutledge, and C. S. Castleberry, Newport	7,737	36,209.16	\$36,209.16	L. F. Foreman, Clarksdale	7,293	39,127.69	12,698.98
Clinton and Harold Anderson, Sherrill	6,716	35,766.27		Robert E. Smith, Cleveland	7,135	38,660.18	38,660.18
B. O. Geunther, Sherrill	6,716	35,766.22		Glenn E. McCoy, Clarksdale	7,329	38,417.17	
McAlister Seed Service Co., and Clifford Micklish, Cash	6,281	34,929.29	34,929.29	Joseph H. Theunissen, Hollandale	7,458	38,177.10	38,177.10
Raymond Barrett, Jonesboro	6,802	32,873.18	32,873.18	H. D. and T. A. Tharp, Isola	7,123	37,503.75	
Guy M. Beene, Wynne	6,718	32,649.48	32,649.48	E. D. Strain, Jr., Morgan City	6,989	36,802.72	36,802.72
Ray Weaver, Cash	5,750	32,568.10	32,568.10	Homewood Farms, Inc., Greenville	7,269	36,566.46	33,078.96
Noble Lake Planting Co., M. D. Morgan, and M. N. Rush, Pine Bluff	6,446	32,399.49	3,916.60	W. B. Tackett, Belzoni	7,119	35,858.70	35,858.70
Ersline Harriman and Harry Lauhon, Hamburg	5,994	31,807.89	31,807.89	Gerald and Henry Frey, Hollandale	6,582	35,819.48	35,819.48
Sam Ahowitz & Son, Arkansas City	6,723	31,655.61	31,655.61	A. and N. Fioranelli, Cleveland	6,753	35,538.97	
David Knoll, Stuttgart	6,075	30,946.05	30,946.05	F. P. Unkel, Shaw	6,822	34,502.04	1,940.33
Ray and Don Daugherty, Stuttgart				Charles Berry, Memphis, Tenn.	6,057	33,439.95	
R. G. Holden Land Co. and John L. Conner, Newport	6,388	30,941.50	30,941.50	Harris & Wilson, Inc., Hollandale	5,953	32,830.16	32,830.16
R. A. Greer, Weldon	7,038	30,753.00	30,753.00	L. A. Peoples, Merigold	6,526	32,644.33	
Otmar Hagaman and Joe Freeman, Gould	5,629	30,446.43	30,446.43	S. R. Phebus, Banks	6,450	31,112.10	31,112.10
Mary O. McGregor, Sherrill	5,521	30,035.87		Eckward N. McKnight, Cleveland	6,099	30,638.18	
Paul Young, Sherrill	5,265	29,694.60	29,694.60	Wade, McCollum, Hollandale	5,606	27,908.50	27,908.50
Leland Jones, Alleia	6,073	29,447.99	29,447.99	F. H. Nance, Cleveland	4,932	26,879.40	26,879.40
Eldon Simmons, Harvey Simmons, and Rudy Jones, Minturn	6,276	28,430.28	28,430.28	H. B. Mullins, Merigold	5,273	26,692.26	
Paul Gaines, I. N. Arnof, and G. L. Morris, McCrory	6,109	27,694.39	27,694.39	Joe B. Dakin, Skene	4,924	26,638.84	22,814.92
H. S. Bramlett, McCrory	4,770	27,027.90	27,027.90	L. B. Wilkinson & Purvis Richardson, Shaw	5,182	26,635.48	26,635.48
R. B. Oliver, Stuttgart	5,221	26,874.81	26,874.81	Sunrise Dairy, Cleveland	4,891	26,365.59	12,365.53
Albert Bullard, Minturn	5,702	26,713.84	26,713.84	Josephine Plantation & Charles Lawrence, Merigold	4,990	25,919.40	25,919.40
Earl Simms, Hoxie	5,527	26,495.77	26,495.77	J. C. Willis, Jr., Hollandale	4,762	25,655.25	
Keiser Supply Co., Keiser	5,062	26,477.87	26,477.87	M. D. Dossett, Beulah	4,957	25,558.14	25,558.14
David Knoll, Stuttgart	4,860	25,952.40	25,952.40	M. B. Litton, Shaw	4,786	25,411.61	
Ralph and Anna Wood, Cherry Valley	4,859	25,825.53	25,825.53	Turner Arant, Blaine	4,653	25,172.73	
Lamar and Willie L. Miles, Monticello	4,657	25,816.02	25,816.02	L. B. Pate & Sons, Cleveland	4,693	25,093.69	
Robert Johnson and Joy Ledbetter, Jonesboro	5,670	25,636.50	25,636.50	Texas:			
J. C. Emenhiser, Eudora	4,737	25,554.01	25,554.01	Anderson Farming Co., Lissie	45,419	217,422.39	171,935.02
E. W. Hahn, Hazen	5,262	25,546.54	25,546.54	Chocolate Bayou Rice & Canal Co., Alvin	36,261	162,066.47	162,006.47
Raymond Hahn, Stuttgart	9,983	43,925.20	43,925.20	J. A. Jenkins, B. M. Jenkins, and W. E. Jenkins, Jr., Hankamer	29,932	146,707.21	146,707.21
Ethan Dodd, Minturn				E. J. Stoesser, Dayton	25,837	135,318.09	135,318.09
California: Thomas Mezger, Woodland				Texas West Indies Co. Farm, El Campo	23,825	126,776.96	126,776.96
Louisiana:				J. O. and G. F. Dennison, Liberty	24,105	118,435.45	118,435.45
Mayo Romero, New Iberia	25,380	114,509.70	114,509.70	T. F. Jenkins, Glen M. Kolemey, and Jeffrey Jenkins, Winnie	24,268	117,526.71	117,526.71
Zaunhreeher Bros, Jones	16,799	80,654.19	45,933.54	Pfeiffer & Son Farms, Houston	22,876	115,106.88	74,701.45
W. P. Tomlinson, Lake Providence	15,307	76,433.63	76,433.63	A. J. and J. R. Carter, Victoria	23,781	114,153.04	114,153.04
Rheinoldt J. Leonards, Lake Charles	14,027	64,799.55	64,799.55	J. H. Clipson, Sr., Eagle Lake	19,663	107,755.82	107,755.82
Open Al Ranch, Inc., Lake Charles	12,028	62,034.56	62,034.56	Harry Hafesnick and T. J. Babb, Edna	21,808	107,317.20	107,317.20
Brady Oswalt, Lake Providence	10,934	56,934.30	56,934.30	Henderson Farms, El Campo	20,825	103,911.28	103,911.28
James B. Lingo, Oak Grove	11,916	52,978.21	52,978.21	R. M. Middleton Estate and Ed. Roy, George, Shirley, and L. E. Turner & Son, Anahuac	18,583	94,573.58	95,573.58
Larry Guldry, Oberlin	10,170	50,737.14	50,737.14	Floyd & Kenneth Henderson, El Campo	19,785	93,608.27	93,608.27
Byron L. Rye, Pioneer	8,298	38,813.33	38,813.33	Martin Bros. & Son, Houston	19,591	92,253.42	92,253.42
Arthur Loewer, Branch	7,971	36,532.49	36,532.49	Jess Mathews and Katherine Vance, Beaumont	18,694	90,315.03	90,315.03
Orin Andrepoint, Kinder	7,944	35,459.38	35,459.38	Eddie Blackman, Sr., and Hornbeck Bros., DeKalb	18,023	85,871.06	85,871.06
Ashton S. Petitjean, Rayne	7,364	33,442.87	33,442.87	Henry Huff, Edna	19,170	84,903.48	84,903.48
Eve Poutenot, Oberlin	6,412	31,781.17	31,781.17	Francis Koop, Edna	16,719	82,209.12	59,301.63
Weston Monceaux, Oberlin	6,531	29,648.32	29,648.32	J. R. Reed, El Campo	16,979	80,982.04	56,619.23
Clarence LaPoint, Reeves	5,393	26,826.62	26,826.62	J. R. Thomas, Eagle Lake	15,365	80,765.10	80,765.10
Louis Fuselier, Mittle	4,859	26,813.58		Marvin Wiede and John Koop, Edna	16,689	80,751.53	41,526.53
Earl K. Oswalt, Lake Providence	5,832	26,156.52	26,156.52	E. P. Duke, Elmo Duke, Jr., and Anthony Duke, Rosharon	15,870	80,554.08	80,554.08
Elmo J. Bollick, Jones	4,952	25,150.93	25,150.93	N. & M. Farms, Linke Nolte, and Rupert Myzell, Anahuac	14,578	78,461.48	78,461.48
John R. Denison, Iowa	8,100	34,720.65	34,720.65	R. L. Clipson, Eagle Lake	14,714	76,802.20	
Sagrera Bros, Bonita				Joe R. Anderson and T. L. Davidson, East Bernard	14,005	74,226.50	74,226.50
Mississippi:				W. O. McBride and J. C. Emenhiser, Stowell	12,968	73,095.80	73,095.80
Albert Prevot, Dwight McCollum, Frank Orlick, and Thonissen, Hollandale	32,649	172,872.07	39,332.82	Harold Koop, Edna	15,394	72,837.90	72,837.90
Nott Wheeler, Cleveland	25,054	130,965.82	130,965.82	Clinco Ranch, Clodine	14,915	70,798.35	57,409.05
J. A. Howarth, Jr., Cleveland	24,473	130,349.73	130,349.73	Blue Creek Rice Farms & Kountz & Couch, El Campo	13,394	68,576.00	68,576.00
Allen Gray Estate, Benoit	24,600	122,516.13	122,516.13	Blue Creek Rice Farms, by Frank L. Ramsey, agent, El Campo	14,105	66,915.21	66,915.21
Laudig & Cole Farms, Boyle	23,057	122,298.32	122,298.32	Eucl Dugat & E. J. Dugat, Winnie	13,058	64,888.70	64,888.70
Dominic P. Rizzo, Cleveland	22,030	112,191.51	112,191.51	E. P. Duke & Sons, Rosharon	12,575	63,057.58	63,057.58
J. and V. Aguzzo, Cleveland	19,504	108,555.57	108,555.57	Curtis A. Seaherg & Seaherg Farms, Inc., Dayton	12,095	62,117.14	62,117.14
Greer Bros. & Son, Hollandale	21,056	103,205.64	103,205.64	Henderson Farms, El Campo	13,173	61,849.40	61,849.40
Mills Bros., Benoit	18,855	102,856.62	17,471.05	Floyd & Kenneth Henderson & Clyde DeFoor, El Campo	13,003	61,447.79	61,447.79
J. C. O'Neal, Jr., Cleveland	18,726	96,112.86	96,112.86	Roger C. Brown, Dayton	12,633	60,817.17	60,817.17
W. P. Skelton, Rosedale	15,636	83,012.93		Walter A. Virman & Sons, Sealy	11,808	60,122.40	60,122.40
Richard Bros., Doddsville	16,121	76,467.32	76,467.32	T. E. Reidland & Son, Crosby	12,575	60,106.63	60,106.63
Edward A. Lyons, Cleveland	15,530	73,920.94	73,920.94	A. G. & M. T. Simons, Jr., Edna	12,167	59,972.14	47,991.26
Maryland Planting Co., Clarksdale	12,423	67,005.50	67,005.50	Robert Rasmussen & D. W. Beck, Louise	12,442	59,536.86	69,536.86
Hall & Hawkins, Merigold	12,311	65,444.87	17,151.95	Harry and Everett Anderson, East Bernard	11,569	58,847.28	23,519.82
W. J. Chudy, Cleveland	11,576	64,308.04		Ed H. Helwig, Fulshear	12,090	58,206.39	45,509.78
Barbour & Parker, Cleveland	12,376	63,290.09	63,290.09	Cineo Ranch, Clodine	11,993	57,732.22	57,732.22
Wilton Richard, Greenville	12,812	60,492.08	60,492.08	John Clipson, Eagle Lake	10,755	57,580.05	17,723.85
Dau Seligman, Shaw	11,235	60,130.52	21,196.02	Marsalia Bros., Eagle Lake	11,897	56,990.15	56,990.15
Raymond Murrell, Avon	10,910	59,284.88	59,284.88	John Pearson and T. J. Babb, Edna	11,750	56,323.26	56,323.26
Kenneth Frey, Hollandale	10,044	54,257.16	54,257.16	Frank R. Duke, Liberty	13,181	55,051.68	55,051.68
A. R. Mann, Jr., Skene	9,247	48,824.16	48,824.16	Joe R. Anderson, East Bernard	10,598	54,960.11	10,937.08
David E. Greer, Hollandale	9,362	47,818.16	47,818.16	Ike, Morris and Woodrow Prejean, Winnie	11,201	54,893.67	54,893.67
Harden Farms, Cleveland	9,169	47,788.46	1,719.62				
Cone & Richard, Greenville	10,419	47,456.28	47,456.28				
Patterson Bros, Merigold	8,465	46,652.47					
Isabell S. Welshan & W. A. Welshan, Jr., Rosedale	9,241	46,339.29	46,339.29				
Heinsz & Heinsz, Shelby	8,495	45,582.30	45,582.30				
McGarrah & McGarrah, Merigold	8,481	45,481.91					
Ewing & Son, Inc., Robinsonville	8,856	43,690.59	42,903.09				
Verl Pullen, Shaw	7,754	42,702.66	9,934.80				
Eliding Farms, Hollandale	7,983	42,179.64	42,179.64				
George F. Stock, Hollandale	7,766	41,553.18	2,395.50				
L. E. Grant, Isola	8,434	41,486.09	41,486.09				



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
RICE—continued				RICE—continued			
Texas—Continued				Texas—Continued			
Jack Stoesser, Dayton	<i>Bushels</i> 11,781	\$54,623.76	\$54,623.76	Denver Poland and Doornbos Bros., Winnie	<i>Bushels</i> 7,495	\$33,803.55	\$33,803.55
L. D. Waro, Fulshear	11,585	53,589.73	46,061.38	Ivo Phend, Sr., Russell Phend, and Marie Weir et al., Hamshire	6,734	33,772.94	33,772.94
B. D. Fussell, Eagle Lake	9,774	52,779.60		J. W. Gober, Nome	6,659	33,496.98	33,496.98
Blue Ribbon Mills, Inc., Houston	10,682	52,550.02	52,550.02	W. J. Winzer, Winnie	6,407	33,472.36	33,472.36
Johnson & Johnson, West Columbia	11,237	51,813.78	51,813.78	P. W. Douglas, Sour Lake	6,939	33,374.81	33,374.81
Marsalia Bros., C. C. Brasher & T. L. Davidson, Eagle Lake	10,370	51,331.50	51,331.50	P. D. Kinser and R. M. Middleton Estate, Anahuac	6,802	33,126.72	33,126.72
L. G. Raun & Sandy Creek Ranch, El Campo	10,578	50,034.65	50,034.65	Charles and Quintin Shult, and Frank L. Ramsey, El Campo	6,398	32,895.26	32,895.26
Mitchell Bros., Beaumont	10,645	49,433.25	49,433.25	Mrs. Maggie Wisegerber, Lester Ray Wisegerber, and Seaberg Farms, Inc., Dayton	6,672	32,834.52	32,834.52
Jarrell E. Brown, Edna	9,757	48,942.88	48,942.88	Chester Hicks and Frank S. Bulher, Edna	7,211	32,789.01	32,789.01
K. Saibara & Son, Webster	10,260	48,619.63	48,619.63	M. D. Shillings, Port Lavaca	7,508	32,738.40	32,738.40
Jack C. McBride, J. F. Guidry & W. S. Edwards, Winnie	9,808	48,435.66	48,435.66	Jesse Copeland and M. L. Shellhammer, Hamshire	6,186	32,723.94	32,723.94
Billy Halfen, Collegeport	9,495	47,911.32	47,911.32	James R. and Henry J. Hlavinka and Boettcher & Wasieck, East Bernard	5,955	32,690.75	32,690.75
Lowell G. Raun & Stockton Estate, El Campo	9,153	47,318.68	47,318.68	E. E. and H. L. Adams, Alvin	6,981	32,690.50	32,690.50
H. E. Moor & J. T. White Estate, Anahuac	10,295	46,863.70	46,863.70	Norris Raun, El Campo	6,371	32,681.43	32,681.43
Adolph S. Hankamer, Hankamer	9,774	46,812.50	46,812.50	Ben McCormick, Alvin	6,876	32,549.99	32,549.99
Jack B. Willis, Eagle Lake	9,040	46,498.29	46,498.29	Jay and Dexter Anderson, Lissie	6,572	32,282.53	24,710.65
Paul McGown, Winnie	9,470	46,071.14	46,071.14	W. W. and J. S. Winzer and Edward C. Devillier, Winnie	6,611	32,133.46	32,133.46
Clark Farms, S. J. Clark, Sr., and Gerald M. Clark, Edna	9,240	45,818.94	45,818.94	Alvin E. Johnson, Louise	6,744	32,129.52	32,129.52
George Way and J. T. White Estate, Stowell	9,053	45,749.48	45,749.48	Billy Ray Smith, Gaudado	6,854	32,048.84	32,048.84
Frank A. Higgins, Eagle Lake	9,285	45,699.45	17,665.45	J. C. Lewis, E. L. McDonald, and G. R. McKelvy, Bay City	6,570	31,829.76	
Maurice Willis and T. L. Davidson, Eagle Lake	9,320	45,667.56	45,667.56	Joe F. and Raymond Terry and George Musselman, Victoria	6,774	31,758.84	31,758.84
Ferdinand J. Leonards and John Oscar Devillier, Winnie	9,099	45,657.41	45,657.41	Wilfred LeBlanc, Winnie	6,091	31,423.29	31,423.29
R. M. Middleton Estate and I. Jett Hankamer, Hankamer	8,635	45,579.56	45,579.56	J. B. Miller, Jr., Beaumont	6,575	31,186.31	28,632.92
E. B. Kirkham and H. B. Haynes, Anahuac	8,770	45,166.64	45,166.64	J. K. and R. G. Allen, El Campo	6,275	31,141.93	31,141.93
Emmett Herbert, Stowell	9,371	45,014.49	45,014.49	Pete Eaton and B. D. Anderson, Rock Island	6,563	31,107.38	
Noel Clark, Edna	10,934	44,799.35	44,799.35	Richard Hahn, Gaudado	6,797	30,518.53	30,518.53
J. B. Wyatt, Clodis H. Cox, and Seaberg Farms, Inc., Dayton	10,129	44,457.90	40,809.75	C. D. Fenner, Paul Slatter, O. B. Fenner, A. J. Carter, and Floyd Slatter, Edna	5,574	30,376.66	
Joe F. Terry, Victoria	9,182	43,971.67	43,971.67	A. J. Hungerford, Midfield	5,915	30,315.81	28,145.78
Wilfred LeBlanc, Doris LeBlanc, and S. D. Fontenot, Winnie	9,730	43,365.33	43,365.33	Adolph Jr., and Calvin E. Ebner, Orange	5,830	30,097.67	30,097.67
N. S. Bean, Raymond	9,225	42,385.95	42,385.95	Pat H. Flowers and Seaberg Farms, Inc., Dayton	5,637	30,092.30	30,092.30
Naomi L. Kole, Winnie	8,118	42,166.32	42,166.32	Elroy J. Ortego, Alta Loma	6,399	29,971.23	29,971.23
J. S. and W. W. Winzer, Winnie	8,392	42,156.63	42,156.63	B. G. and F. M. Elkins, Devers	5,847	29,629.34	29,629.34
Donald Henderson, El Campo	8,579	42,139.84	42,139.84	Alfred J. Ash and Sophie Graves Estate, Dayton	6,606	29,580.72	29,580.72
Alfred J. Ash, Dayton	9,094	41,857.30	41,857.30	Warren Craigen, Beaumont	6,353	29,544.33	13,256.77
Howard Watson, Angleton	7,690	41,310.46	41,310.46	B. F. Metzger, Katy	6,053	29,517.05	20,474.75
C. A. Kiker, Beaumont	7,573	41,059.56	27,404.04	Ethel M. Campbell, Welsh, La.	6,274	29,331.46	29,331.46
C. W. Sisk, George, William D., and H. E. Dishman, Beaumont	8,159	40,401.44	40,401.44	F. J. Merta, Louise	6,710	29,322.70	29,322.70
Seaberg Farms, Inc., Dayton	8,129	40,252.34	40,252.34	Schlurping Bros., Garwood	6,143	28,958.30	28,958.30
A. W. Peveto, Flurry Joe Peveto, and Lutecher & Moore Lumber Co., Orange	8,492	40,122.02	40,122.02	J. T. Hare, Crosby	6,289	28,866.51	28,866.51
Carlton W. Trant and W. H. Keenan, Liberty	8,490	39,994.56	39,994.56	Eugene Bourque, Rosharon	6,557	28,816.37	28,816.37
William H. Whetstein Farms, Alvin	8,383	39,477.30	39,477.30	J. W. Parker, Arnold Wolf, Jr., and B. F. Troxell, Dayton	5,759	28,275.21	28,275.21
Daniel J. Hankamer and R. M. Middleton Estate, Wallisville	7,574	38,930.36	38,930.36	George V. Miller, China	6,152	28,106.58	28,106.58
Louie L. W. Lunday, Alvin	7,554	38,831.78	38,831.78	N. T. Stansbury, Beaumont	6,068	28,094.84	28,094.84
Arthur Lemke, Jack Daigle, Loranzo Daigle, and W. E. Bogan, China	6,866	38,728.35	38,728.35	C. S. Brown, Devers	5,639	28,079.06	13,460.82
Bobby Shellhammer and M. L. Shellhammer, Hamshire	7,897	38,685.26	28,685.26	Jack Duke, Rosharon	6,049	28,056.59	28,056.59
Albert, Jewell, and Albert Dutcher, Jr., Wells Farm, and Frank C. Gordon, Lissie	8,022	38,522.59	38,522.59	Duward Harper, Alvin	5,970	27,843.06	27,843.06
Mrs. P. H. Sherer and Phil Baker, Anahuac	8,051	38,504.00	38,504.00	O. C. Devillier, Jr., Winnie	6,000	27,779.12	27,779.12
E. A. Turner and W. M. McBride and Son, Winnie	7,808	38,486.43	38,486.43	Curtis S. Penick, Anahuac	5,398	27,771.75	25,211.01
Ivan Hebert and E. L. Chaney, Beaumont	7,485	38,398.05	38,398.05	R. B. Christ, Sr., Hamshire	5,237	27,608.80	27,608.80
James Weaver, Hankamer	7,811	38,125.00	38,125.00	J. C. Wall, Beaumont	5,708	27,398.40	27,398.40
C. W. Smith, Louise Sample Germer and W. F. Germer, Gaudado	7,947	37,800.35	37,800.35	Raymond Randel, Liberty	5,475	27,375.00	27,375.00
Lester J. Cranek, Garwood	7,826	37,773.25	37,773.25	C. T. Wiese, Eagle Lake	5,590	27,245.70	22,048.95
F. W. Fontenot, Broussard and Hebert, Anahuac	7,626	37,469.94	37,469.94	Louie Mollnar, El Campo	6,282	27,236.16	27,236.16
J. W. and John Isaacs, Alvin	8,308	37,381.67	37,381.67	A. E. Elliott, Bay City	5,606	27,020.92	27,020.92
J. H. Sandlin, Anahuac	6,994	37,340.55	37,340.55	B. E. Wilber and D. L. Heckaman, Hamshire	5,079	26,545.85	26,545.85
Schlurping Bros., Garwood	7,793	37,331.65	37,331.65	Frank Smalstria, Martha Losack, and Wm. Lee Frederickson, East Bernard	5,671	26,479.07	20,762.46
W. W. McBride, Winnie	7,131	37,133.10	37,133.10	Lynn and Donald Herbert, Waller	5,586	26,421.78	26,421.78
L. L. Fontenot, Winnie	7,413	37,079.20	37,079.20	Johnnie Garrett, Garrett Bros., and Walter L. Roome, Louise	5,714	26,421.49	26,421.49
Jack C. and Eloise McBride, Winnie	7,043	36,812.75	36,812.75	Rudolph Skalicky, Gaudado	5,598	26,311.41	26,311.41
E. J. and Euell Dugat and E. C. Devillier, Winnie	7,352	36,647.02	36,647.02	W. C. Jenkins, Hankamer	5,385	26,132.42	26,132.42
Bert Harbour and Mrs. Lucille Harbour, Hankamer	7,835	36,416.87	36,416.87	Lester R. Wisegerber and Seaberg Farms, Inc., Dayton	5,701	25,882.54	25,882.54
J. T. Herin, Edna	8,712	36,329.46	36,329.46	Wanda S. and Wayne Bunton, Edna	5,217	25,877.81	25,877.81
Louis Watson, Angleton	7,193	35,836.82	35,836.82	J. Harland Bell, Rock Island	4,925	25,823.41	4,771.20
N. S. and Jesse Wittman, Hamshire	6,928	35,709.26	35,679.63	Buren J. Kallina, Garwood	5,260	25,601.90	25,601.90
Jay and Dexter Anderson, Lissie	6,936	35,457.46	33,287.43	George W. Stansbury, Raywood	4,864	25,536.00	25,536.00
B. D. Hart and Frank Galloway, Devers	7,581	35,428.55	35,428.55	Harvey E. Johnson, Port Lavaca	5,888	25,495.86	25,495.86
William Zboril, Garwood	7,232	34,203.88	34,203.88	R. L. Poskey and Roy Dawson, Anahuac	4,871	25,475.33	25,475.33
M. A. Ellis & Son and Mitchell D. Ellis, Collegeport	6,008	34,020.84	25,767.38	Johnnie Garrett, Guy Stovall, Jr., and S. C. Cappell, Louise	5,265	25,444.90	21,466.90
H. A. Norris & Son, Bay City	7,040	34,013.44	34,013.44	James L. Adkins, Lissie	4,729	25,442.02	25,442.02
Guy Myrick and Otto Truksa, Alvin	7,040	34,013.44	34,013.44	W. H. Huseman and Mrs. Annie Carmichael Estate, Louise	5,420	25,394.49	25,394.49
Lowell, George, and Norris Raun, El Campo	6,420	33,962.59	33,962.59	R. B. Christ, Sr., R. B. Christ, Jr., Ed Lohmann, and Elvan Bourque, Hamshire	5,480	25,373.28	25,373.28
				W. H. Oetken, Anahuac	5,003	25,140.50	17,581.24
				J. W. Murrell, Winnie	4,710	25,072.90	25,072.90



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
RICE—continued				WHEAT—continued			
Texas—Continued				Kansas—Continued			
M. I. Janes and Reimie Fontenot, Beaumont	Bushels 5,310	\$25,010.10	\$25,010.10	S. Everett Dennis, Scottsbluff, Nebr.	Bushels 31,495	\$43,153.57	
SOYBEANS				Harold N. Hobart, Sr., Harold N. Hobart, Jr., and Gano H. Tschudy, Hutchinson	28,244	40,510.93	
Arkansas:				O. Wilber White, Goodland	27,702	36,008.19	\$1,931.67
Arkansas Grain Corp., Stuttgart	7,103,230	16,353,580.93	10,454,477.76	Herman Bott, Palmer	24,984	34,129.44	
McAlister Seed Service Co., Walnut Ridge	42,120	94,888.80	32,316.30	R. T. McCreight, Ness City	23,220	33,156.00	
Hugh E. Richardson, H. B. Richardson and Richland Plantation, Inc., Hughes	34,344	77,960.88	77,960.88	Adrian Schweitzer, Osborne	22,626	32,019.53	
Ralph Wimpy, Harrisburg	15,585	35,997.26	35,997.66	Vestring Bros., Burns	22,807	31,124.21	6,172.20
J. W. Prescott, Hughes	15,390	34,935.30	34,935.30	W. T. Rooney, Jr., Garden City	23,580	30,720.60	
Pirani Bros., Marion	15,000	34,050.00	34,050.00	John Kriss Farms, Colby	23,850	30,289.50	
James E. McDaniel, Jonesboro	13,500	30,645.00	30,645.00	Benton Jones, Glasco	21,173	29,819.66	6,010.29
David N. Ford, Sherrill	13,500	30,510.00	30,510.00	Ferguson Bros., Kensington	20,250	29,767.60	
James D. Ford, Pine Bluff	12,375	27,225.00	21,780.00	E. A. Baalman & Sons, Menlo	20,754	26,504.82	3,682.80
J. B. Davis, Ogden	11,713	26,998.47	26,998.47	Hattendorf Bros., Scott City	21,884	26,466.62	19,795.87
W. B. Bynum, Dermott	11,700	26,559.00	26,559.00	John D. Deforest, Peabody	20,608	25,739.63	
Phinn Reynolds & Son, Harrisburg	11,070	25,571.70	25,571.70	Richard L. and Jack Spiegel, Formoso	18,900	25,515.00	
Illinois: A. E. Deal, Morrisonville				C. H. Moore Trust Estate, Dodge City	20,453	25,390.49	
Indiana:				Minnesota:			
Donald Kolb, Evansville	13,500	30,375.00	30,375.00	Keith Driscoll, East Grand Forks	30,780	46,146.60	16,310.25
Donald E. Stewart, Robert Revell, and Harold Revell, Lebanon	11,115	25,119.90	25,119.90	John Bogstad, Karlstad	22,500	31,050.00	
Iowa:				Vernon Hagen, East Grand Forks	18,879	26,767.36	
Herbert P. Turin, Odebolt	18,784	40,484.04	40,484.04	Montana:			
Kenneth Johnson, Callender	12,690	28,171.80		Campbell Farming Corp., Hardin	200,212	206,218.36	73,233.00
Louisiana:				Nash Bros., Redstone	49,320	57,704.40	
W. P. Tomlinson, Lake Providence	15,840	35,640.00	35,640.00	Onstad Grain Co., Carter	51,480	56,113.20	
Orville A. Coody, Lake Providence	11,681	26,581.36	12,406.36	Kraft & Martin, Havre	44,460	55,859.40	
Mississippi:				J. G. Robertson, Inc., Great Falls	49,905	54,396.45	54,396.45
Joe Priddy & Sons, Rolling Fork	32,168	72,802.88	72,802.88	Juedman Grain Co., Geraldine	48,285	52,630.65	
Greer Bros. & Son, Hollandale	29,250	66,397.50	66,397.50	Warren Swenson, Cut Bank	46,660	60,859.40	6,714.40
J. R. Flautt & Sons, Swan Lake	27,180	61,426.80	61,426.80	Otis Waters, Ricey	37,170	47,949.30	1,161.00
Evanna Plantation, Inc., Cary	23,130	52,273.80	52,273.80	Pryor Land Co., Billings	43,625	47,551.25	47,551.25
F. B. Swearingen, Philipp	18,289	40,510.66		Floyd Warren, Inc., Hardin	44,100	45,423.00	45,423.00
W. P. Skelton, Rosedale	16,392	37,209.84	37,209.84	Oscar A. Kalgaard, Big Sandy	40,526	43,746.68	43,746.68
Dominic P. Rizzo, Cleveland	15,961	36,231.47	36,231.47	Westmark Bros., Levon	38,610	42,084.90	42,084.90
Annapex, Inc., Minter City	13,265	29,382.41		Francis Maurer, Dutton	37,800	41,202.00	
L. L. Walker, Minter City	13,060	28,904.22	28,904.22	Bill McCarter, Galata	34,670	36,591.30	36,591.30
Ray Roberson Farms, Inc., Philipp	13,009	28,815.44	28,815.44	Roy Killenbeck, Scobey	32,040	36,525.60	
Missouri:				Birkeland & Son, Inc., Fort Benton	32,850	35,806.50	
A. C. Riley, New Madrid	22,500	51,075.00		Gaylen Vernon, Ray Stoner, and Richard McCarty, Outlook	28,440	35,661.60	
W. V. Riley, New Madrid	22,500	51,075.00		Larry K. T. Ranch, Billings	32,193	35,090.37	35,090.37
The Albert Painton Co., Inc., Painton	17,280	39,052.80	39,052.80	Clair Schillinger and Schillinger Farms, Inc., Wolf Point	29,430	35,021.70	1,392.30
Wallace Farms, Gideon	17,100	38,304.00	38,304.00	Kenneth Schillinger, Vida	26,091	34,566.57	
North Carolina:				Adolph Fix, Ekalaka	26,524	34,148.88	1,206.00
A. D. Swindell, Pantego	41,580	93,325.50	63,220.50	Royce Applegate, Square Butte	30,240	32,961.60	
McNair Investment Co., Laurinberg	19,814	44,185.22	44,185.22	Sikorski & Sons, Inc., Willard	24,641	31,749.21	5,945.04
South Carolina:				John H. Leuthold, Molt	28,800	31,392.00	
W. R. Mayes, Mayesville	41,043	91,525.89		D. K. Hereford Ranch, Ballantine	27,810	30,312.90	
J. A. Harvin, Sumter	26,774	59,623.65	6,021.00	F. E. Davison & Sons, Highwood	27,812	30,181.23	2,713.23
J. T. Duncan, Martin	11,430	25,488.90	25,488.90	John Keil & Sons, Ledger	27,000	29,430.00	
Wisconsin: Charles H. Kuiper, Union Grove				Kenneth G. Axvig, Kremlin	22,500	28,632.60	
	15,030	34,268.40	34,268.40	A. C. Kammerzell, Chester	25,920	28,252.80	28,252.80
WHEAT				Donald Norman and Arnold Dees, Kremlin	24,660	28,225.80	
Arkansas: Lake Plantation, Hughes				Allan and Leo Schillinger, Vida	21,240	28,170.00	
California:				Roland and Burton Wright, Moore	25,200	27,468.00	27,468.00
E. L. Wallace, Woodland	59,345	83,858.11		Leo M. Kraft, Havre	22,320	27,342.00	
Jackson & Reinert, Paso Robles	50,806	69,096.16	69,096.16	Ralph Lee, Buffalo	24,930	27,173.70	27,173.70
Colorado:				Conover Ranch Co., Broadview	24,500	26,705.00	
Sprague Bros., Holyoke	31,915	34,302.11	34,302.11	Ivan Dahlman, Forsyth	23,220	26,470.80	26,470.80
Harold Kuckartz, Arriba	27,000	31,860.00	15,525.00	Herbert G. Bitz and Selma McClintock, Box Elder	21,150	26,464.50	
Kalcevic Farms, Inc., Aurora	27,000	31,050.00		Ole Jensen, Chester	24,102	26,271.18	
Ralph and Jack Bowman, Wray	24,300	29,889.00		Swank & Son, Poplar	21,960	25,912.80	
Idaho:				Elmer and Mary P. Dostal, Geraldine	23,400	25,506.00	
Wagner Bros., Lewiston	81,892	101,546.08	101,546.08	Frank Kukla, Blue Creek	23,130	25,211.70	
Ira McIntosh & Sons, Lewiston	63,102	78,246.48	78,246.48	Nebraska:			
Meacham Land & Cattle Co., Lapwai	59,997	73,738.23	18,411.00	Grace Land & Cattle Co., Lewellen	52,200	64,728.00	
Heglar Ranch, Inc., Burley	46,882	51,335.65	51,335.65	Raymond, Ronald, Pamela, Michael, Leo, Morris, and Ilse Jensen, Lodgepole	39,600	48,312.00	
Drechsel Bros., Worley	41,196	49,187.57	19,298.57	Knipp Land Co., Big Springs	33,300	41,958.00	
Herndon Farms, Inc., Culesae	34,162	41,408.25	31,248.00	Ruth Hunt, Hastings	31,178	40,227.67	10,067.40
Gaffney & Howo, Plummer	35,615	41,197.22		A. L. Rosener & Sons, Daykin	26,809	37,179.88	
Wittman Farms, Inc., Lapwai	34,839	40,111.90		Bailey Partnership, Big Springs	29,700	36,828.00	
Sam Ahn & Sons, Inc., Grangeville	31,497	38,111.37		Glen F. Burns, Chappell	28,342	34,317.52	10,918.72
W. W. Riggers & Sons, Craigmont	33,828	37,979.34	37,979.34	Svoboda & Hannah, Ogallala	26,100	32,886.00	
Stanton Becker, Genesee	31,587	36,049.07	36,049.07	Eugene Schebeck, Alliance	25,038	32,048.64	32,048.64
Harold Heaton & Son, Tekoa, Wash.	24,266	35,598.47		Leo Jensen, Oshkosh	23,400	29,250.00	
Pfaff Bros., Inc., Garfield, Wash.	27,900	34,596.00	34,596.00	Robert R. Elliott, Solvang, Calif.	22,410	28,012.50	
Arthur P. Meier, Peck	30,084	34,192.19	28,609.68	Ed and Boulah Jelinek, Alliance	20,002	26,807.64	
Matsuura Bros., Blackfoot	29,700	33,264.00	33,264.00	Nevada: Rio King Land & Investment Co., San Francisco, Calif.			
Herb Millhous, Worley	27,610	31,496.63	31,496.63		20,327	25,205.48	25,205.48
Alvin Barker & Sons, Soda Springs	27,000	30,510.00	30,510.00	New Mexico:			
Shayne Linderman, Newdale	27,200	29,376.00		Archie Baker, Clovis	24,337	31,227.94	31,227.94
George and Otto Brammer, Lewiston	23,220	28,792.80	28,792.80	W. L. Lockmiller, Clovis	25,360	31,065.58	
Leland Woodbury, Burley	27,000	28,755.40	28,755.40	Virgil Harrison, Texico	22,018	28,954.11	220.10
John Campbell, Idaho Falls	22,214	26,529.21	26,529.21	Albert and Monte Matlock, Clovis	20,510	26,765.55	26,765.55
J. J. Driscoll & Son, Troy	22,604	25,881.69	25,881.69	North Dakota:			
Hilding, Frick, Plummer	22,248	25,814.76	25,814.76	Arvel Glinz, Eldridge	38,904	57,073.29	2,260.59
Anderson Bros., Troy	22,145	25,305.11	21,396.35	Ballantyne Bros., Westhope	36,000	50,760.00	
McLeod Bros., Nezperce	22,377	25,174.82	25,174.82	Benjamin Schafble, Mott	34,650	49,999.50	
Iowa: Payne Valley Farms, Inc., Hamburg				The Wittman Co., Mohall	36,900	46,125.00	
Kansas:				L. J. Johnson, Plaza	34,200	42,408.00	
Earl, Elsie S., and Frank Weisenberger, Scott City	45,608	62,482.96		Polres Bros., Sykeston	28,512	40,487.04	
Albert Frahm et al., Colby	38,844	49,331.83		Roseco W. Kelly, Niagara	27,900	39,078.00	
B. A. Hutton, Brewster	37,260	47,320.20		August C. Kirschenmann, Mott	25,200	35,932.50	
Robert W. Tbloroff, Beloit	34,574	45,211.43	45,211.43	John D. Kirschmann, Bismarck			
Nell Fuller & Sons, Beloit	31,673	44,885.63		Henry Grain & Stock Farm, Westhope	28,440	35,550.00	4,725.00



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
WHEAT—continued				WHEAT—continued			
North Dakota—Continued	<i>Bushels</i>			Oregon—Continued	<i>Bushels</i>		
T. A. Dilse, Seranton	27,720	\$35,481.60		Earl Meeker, The Dalles	18,900	\$25,704.00	
Norman Glinz, Bottineau	26,370	35,400.00		Stirrup Ranch, North Powder	21,664	25,248.44	
Alvin Kenner, Leeds	25,200	35,280.00		G. L. Pratt, Visalia, Calif.	21,664	25,248.43	
Edwin Netzer, Regent	35,525	34,197.08		Harry Proudfoot, Echo	20,854	25,069.17	\$7,177.17
Dan Netzer, Bismarek				South Dakota:			
W. J. Thoreson, York	25,000	34,125.00		William J. Stanley and William D. Asmussen, Agar	117,387	168,397.20	1,297.80
Ernest P. Jensen, Williston	24,300	33,777.00		J. E. Cheek Estate, Pierre	50,797	70,326.89	
Stair Bros., Newburg	24,930	33,655.50		Elkhorn Farm, Martin	42,570	54,242.10	
Willis Glinz, Newburg	25,429	33,496.25		Alfred and Johanna Ehlers, Presho	36,000	52,560.09	
Carl M. Hodenfield & Sons, Ray	27,000	33,210.00	\$1,451.40	Dennis L. Anderson, Rapid City	37,291	51,625.11	8,199.76
Helen, Wayne, Cecil, and Dennis Zahnaw, Roseglen	25,650	32,832.00	32,832.00	Leo J. Terea, Presho	31,500	46,076.40	
Alfred Jolhuson, Plaza	26,100	32,364.00		John Hippen, Martin	32,760	41,767.20	
Jack Follman, York	23,808	31,546.49		Raymond Jensen, Lodge Pole, Nebr.	25,110	37,776.60	
Reginald and Kenneth Henry, Westhope	24,300	30,375.00		Louie E. Bartels, Gerrysburg		37,440.00	
August and Ronald Wagner, Englevale	20,367	29,408.00	2,268.00	Bartley Mills, Winner	28,800	35,272.80	
Earl Schwartz Co., Kenmare	23,400	29,250.00		Kenneth Kinkler, Blunt	24,840	33,069.60	
Walter E. Johnson, Courtenay	18,990	27,830.70		Hugo Kinkler, Littlefield, Tex.		31,784.40	
Roger Redel, Fressenden	18,211	25,859.62		Krier Bros., Presho	23,580	31,719.60	
Leo and Anthony Muggli, Vincent Muggli, Jr., and Vincent Muggli, Sr., Carson	17,280	25,423.20		James S. Brown, Chamberlain	23,130	31,131.60	31,131.60
Rose Weinhandl, Shields				Arvid Ambur, Presho	23,030	29,331.00	
Carlton Larson, Sykeston	18,203	25,309.46		Bruno Wiecezorek, Chamberlain	23,580	29,331.00	
Harold Hofstrand, Leeds	18,251	25,198.74	1,192.00	G. K. Hutehison, Presho	21,600	29,331.00	
Raymond Foerster, Conway	16,420	25,048.20		Robert E. Dunnean, Pierre	20,430	29,063.16	
Ohio:				Roy Norman, Hayes	21,852	28,728.00	
Ward Walton & Associates, Inc., Upper Sandusky	25,576	33,375.96	33,375.96	Earl E. Kinder, Onida	21,600	28,512.00	1,915.20
Orieton Farms, Inc., London	21,039	26,825.27	26,825.27	Verdun Stanley, Presho	21,600	28,512.00	19,483.20
Oklahoma:				Orville Schwartz, Gordon, Nebr.	22,950	28,458.00	
John A. Francis, Kingfisher	20,250	27,315.00		K. R. Rhiley, Creighton	22,500	28,350.00	24,080.60
Joe Steichen, Ponca City	22,000	27,170.00		Myron D. and Mildred A. Johnson, Rapid City	21,780	27,952.20	
James W. Sharrock, Ponca City	20,483	26,934.71		H. G. Ehlers Sons, Presho	20,890	27,943.80	6,878.10
Oregon:				Jerry Geeringer, Castle Rock	21,330	26,875.80	26,828.10
McCormmach Bros., Pendleton	69,570	83,622.36	83,622.36	Leouel M. Jensen, Wall	21,150	26,818.20	21,319.20
Glenn Thorne, Pendleton	54,265	65,308.85	65,308.85	Robert Bartels, Fort Pierre	19,440	25,660.80	25,660.80
John Proudfoot and Leo Gorger, Ione	47,025	61,602.75	61,602.75	Jetter Bros., Milesville	19,880	25,542.00	
Raymond & Son, Inc., Helix	50,138	60,903.45		Wm. G. and Lyle Schoulte, Presho	19,000	25,080.00	
Ralph S. Crum, Ione	43,647	57,177.57		Texas:			
R. & T. Ranches, Athena	42,301	51,270.80	51,270.80	Hill Farms, Hart	38,760	68,379.05	
King Ranches, Pendleton	38,365	49,874.50		Taft McGee, Hereford	43,528	55,933.48	55,933.48
Robert Kilkenny, Heppner	39,344	49,476.72	40,044.72	Homer Hill, Hart	32,520	55,303.86	
Les King, Inc., Helix	38,846	46,809.44	46,809.44	Buddy Hill, Hart	35,342	55,231.81	
F. L. Watkins, Wasco	34,816	45,791.02	42,713.66	Gerald L. Lasley, Dalhart	40,582	53,419.06	53,291.86
4 R Ranches Wasco	38,840	45,254.20	45,254.20	Frank Robinson, Panhandle	35,204	51,573.38	
Mud Springs Ranches, Pendleton				Berkley Stringer, Dumas	38,561	50,520.24	50,520.24
Ranches, Cunningham Sheep Co., and Iloke Ranches, Pendleton	34,650	45,045.00	45,045.00	D. G. Cluek, Gruver	36,797	48,755.59	48,755.59
Adolph, Jr., or Georgia Shaffer, Condon	36,309	44,722.66	44,722.66	Sam R. Cluek, Gruver	36,297	47,730.99	47,730.99
Key Bros., Inc., Milton Freewater	33,705	43,816.50		Harold H. Hogue, Dalhart	36,011	46,274.56	46,274.56
Richard W. Hampton, Pendleton	33,735	42,774.35	13,758.34	A & O Farms, Dumas	34,496	46,028.39	46,028.39
V. R. Ranch, Helix	35,059	42,246.48	42,246.48	Mrs. M. W. McCloy & Sons, Morse	34,349	43,451.70	
Weher, Inc., and Vernita Adams, Athena	30,360	39,354.24	37,908.00	Monroe Bros., Sunray	31,825	40,895.13	
R. A. Brogoitti, LaGrande	31,444	39,305.00	39,305.00	Gordon Taylor, Sunray	29,697	40,536.18	
Foster, Wernsing & Coffman, Athena	32,548	39,090.96	7,969.77	Dale Sehuman, Dumas	29,944	39,076.47	8,173.64
Charles Carlson, Ione	29,160	38,199.60		Dale Coleman, Dumas	28,661	37,633.20	22,386.42
M. Smith, Condon	26,608	36,950.64	36,950.64	Rose C. or R. C. Porter, Spearman	30,000	36,450.00	36,450.00
H. H. McIntyre, Pendleton	30,348	36,633.42	36,633.42	Merrill Dryden, Sunray	26,069	35,844.65	35,844.65
Alvin Bunch, Heppner	29,577	36,372.70	36,372.70	Lyons Bros., Hereford	23,242	35,225.77	14,572.87
Holdman Ranches, Pendleton	30,078	36,352.84	36,352.84	Glen Seribner, Sunray	25,860	35,040.07	
Hill Ranches, Inc., Helix	30,000	36,150.00		Weatherford Bros., Sunray	25,405	34,169.05	
Larry E. Kaseberg, Wasco	26,100	34,713.00	34,713.00	Marshall Cator, Sunray	23,871	32,455.26	
Marion T. Weatherford, Arlington	27,756	34,567.92		Don Williams, Farwell	24,630	32,388.45	
W. D. Hardie & Sons, Condon	25,043	34,259.79	4,835.75	A. R. Bort, Gruver	24,377	32,164.26	32,164.26
Merton S. Wade, Lostine	28,088	33,520.74	9,180.52	Gene Cluek, Gruver	23,471	30,394.52	
E. Earl or S. Bernlee Pryor, Condon	27,148	33,517.83	33,517.83	Joe Sehuman, Dumas	22,260	28,826.96	
Storie Ranches, Pendleton	27,384	33,271.86	33,271.86	Everett Bros., Stratford	21,064	28,541.76	210.64
Coppinger & Son Ranches, Echo	24,750	32,175.00	32,175.00	Fred W. Mercer, Silverton	19,068	26,849.14	26,849.14
A. C. and R. C. Moll, Pendleton				Velma W. McGraw Estate, Fort Worth	19,235	26,832.83	
H. T. Rea, Inc., Walla Walla, Wash.	26,211	31,444.60		John Cole, Waka	19,379	26,453.01	26,453.01
F. N. Johns, Athena	24,075	31,298.79	31,298.79	Claude Higley, Stinnett			
McElligott Bros., Ione	23,827	31,213.37	31,213.37	George Farms, Charlene and G. George, Perryton	18,000	25,740.00	25,740.00
H. M. Zell, Wasco	24,260	30,806.42	30,806.42	J. H. Burkett, Sunray	20,268	25,638.38	
Johns Smith and Beamer, Athena	23,418	30,443.52	30,443.52	Claude Johnson & Son, Dalhart	18,909	25,621.70	
C. O. Burnet or Althea Burnet, Moro	24,496	30,378.38		John A. and Raymond Smith, Hereford	14,447	25,302.90	
Tad O. McCoy, The Dalles	23,524	30,236.64	30,236.64	Washington:			
W. L. Hulse, Dufur	22,050	29,988.00		Glen Miller & Sons, Amber	133,542	166,927.50	41,927.50
R. M. and Delta Johnson, Wasco	23,926	29,844.28	29,844.28	D. Everett Phillips, Lind	110,500	139,482.99	
A. C. Warren, Ione	22,063	28,902.53		Leonard and Henry Franz, Lind	86,038	106,541.33	101,626.13
Bill Wolfe, Wallowa	24,183	28,740.44	10,184.24	Kenneth Smith, Waitsburg	63,653	79,249.74	79,249.74
G. W. Temple, Pendleton				George D. Brown & Sons, Pomeroy	58,563	73,360.03	13,352.53
Albert L. McCormmach, Walla Walla, Wash.	22,060	28,679.04	28,679.04	Staley & Boyd, Pullman	58,500	73,125.00	73,125.00
T. M. Campbell, Helix	23,444	28,303.49	28,303.49	Robert V. Phillips, Lind	49,995	63,204.86	
Sieg & Sieg, Baker	23,484	27,486.05		Lehn Bros., Farmington	45,180	56,475.00	
David Horne, Pendleton	22,732	27,392.27	27,392.27	Curtis Cattle Co., Garfield	41,427	50,694.20	50,694.20
Glen Brogoitti, Helix	22,597	27,229.18		Roy Peringer, Pullman	43,753	50,683.36	50,683.36
Powell Goodin Farms, Moro	21,841	27,192.41	16,741.76	W. M. Boyd & Sons, Moscow, Idaho	39,195	48,993.76	48,993.76
R. & H. Farms and Archie Harris, Milton-Freewater	20,821	27,067.30	27,067.30	Osborne Belsby, Amber	39,150	48,549.00	48,549.00
Sandhollow Ranches, Helix	22,163	26,928.54	12,005.71	Baumann Farm, Washtuena	37,710	48,268.80	48,268.80
C. N. Jones & Sons, Heppner	21,857	26,714.38	26,714.38	DeZellen & Son, Bridgeport	37,548	47,871.96	1,517.45
J. Smith, Inc., Condon	19,270	26,639.41	26,639.41	Richard E. DeSpain, Winona	41,081	47,773.02	47,773.02
Verne W. Dale, Helix	22,025	26,540.51	26,540.51	Urgel Bell, Lacroisse	41,578	47,708.87	47,708.87
Robert Rothrock, Adams	20,798	26,457.27	20,475.00	Robert J. and Lewis Patton, Waltsburg	36,073	46,534.17	46,534.17
Rosco E. Moore, Moro	21,226	26,365.03		O. H. Woodward, Inc., Dayton	38,535	46,492.58	7,099.85
Campbell Ranch, Inc., Echo	20,984	26,349.95	26,349.95	Donovan Farms, Prescott	34,747	45,171.10	45,171.10
Walker Whitacre Ranch, Athena	21,500	26,122.96	26,122.96	Ford Gumm & Sons, Tekoa	38,309	44,630.16	
Harvey Smith, Ione	19,593	25,862.76	25,862.76	Thomas J. Byers & Sons, Pomeroy	34,756	44,558.61	19,580.68
				J. R. Damon, Lind	35,693	44,071.22	23,140.00
				Pearl Gwinn, Pomeroy	31,626	43,275.89	2,674.62
				S. T. S. Farms, Inc., Prescott	33,273	43,254.90	6,049.90
				Ferrell & Luvaas, Pomeroy	35,902	42,902.29	42,902.29



TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
WHEAT—continued				WHEAT—continued			
Washington—Continued				Washington—Continued			
Joe McCown and Charles E. Neace	<i>Bushels</i>			Matthew Lyons, Waitsburg	24,875	\$29,974.38	
Estate, Waitsburg	34,433	\$41,146.96	\$41,146.96	Klicker Bros. & Sons, Walla Walla	23,006	29,907.80	\$29,907.80
J. L. Williams, Lind	32,040	41,011.20	39,168.00	Blacklaw Bros., Eureka	24,408	29,771.91	
Fred and Cecil Rommel, Pomeroy	32,832	40,453.25	40,453.25	C. B. Stonecipher, Waitsburg	24,706	29,675.43	
Godfrey Meilke, Lind	33,747	40,267.60	40,267.60	J. I. Kupers, Harrington	24,995	29,618.72	29,618.72
Higginbotham Bros., Hartline	33,163	39,629.45	39,629.45	Neihenke & Pavlik, Colfax	25,360	29,543.81	29,543.81
C. C. Wolf & Sons, Pomeroy	32,671	38,214.08		Erwin Bros., Prescott	24,384	29,306.83	29,306.83
Lanra C. Gilliland Estates, Lafayette, Ind.	32,211	38,170.21	18,206.13	Mary Hanger, Dayton	24,258	29,058.29	29,058.29
Casey Farms, Inc., Eureka	31,297	37,970.98		Felgenhauer Bros., Fairfield	23,400	29,016.00	
Lester Camp, Lacrosse	32,793	37,876.03	37,876.03	Hofer Bros., Waitsburg	23,998	28,917.10	28,917.10
Nelson Bros., Waterville	28,530	36,518.40		John Stephenson, Elda Stephenson, and Ella Stephenson Estate, Bengo	22,500	28,800.00	
Lasater Farms, Inc., Walla Walla	30,004	36,455.06	30,455.06	Willard C. Hennings, Ritzville	22,500	28,800.00	28,800.00
Dippel Bros., Garfield	29,070	36,337.50		Dave Repp & Son, St. John	24,850	28,796.07	28,796.07
Wayne Beale, Pomeroy	29,013	35,787.62	35,787.62	Walter A. Zellmer, Davenport	24,061	28,765.23	
John E. Hair, Walla Walla	27,276	35,458.80	35,458.80	Carl Boyd, Pullman	22,950	28,687.50	28,687.50
Allen Struthers, Eureka	28,460	35,307.53		Gale O. Gfeller, Lind	22,410	28,684.80	
Ralph Cooley, Connell	27,000	35,100.00	4,680.00	Frank J. or Frank Wolf, Pomeroy	20,866	28,199.21	4,875.52
The Sheffels Co., Govan	27,627	35,086.66	19,108.67	Herbert Saekmann, Odessa	23,702	28,087.18	28,087.18
John W. Smith, Lancaster	28,264	34,543.40	10,018.40	Robison Land & Livestock Co., Walla Walla	21,600	28,080.00	
Marvin Carstens, Espanola	29,518	34,403.11	19,298.47	Chester Powers & Son, Starbuck	23,202	27,726.64	27,726.64
Franklin D. Rockwell, Endicott	29,596	34,382.45	34,382.45	C. L. Nelson & Sons, Thornton	23,496	27,372.75	27,372.75
Jack Clodius, Waitsburg	28,408	34,343.43	34,343.43	Byron G. Dague, Walla Walla	21,052	27,367.60	27,367.60
Rockdale Farms, Edwall	28,997	34,339.89		David V. Adams, Coulee City	22,071	27,323.10	27,323.10
Harp Bros., Farmington	29,437	34,122.45	21,227.66	Roy M. Auvil, Farmington	23,601	27,259.05	
Heglar Bros., St. John	28,837	33,594.84	33,594.84	Earl T. Sherry, Prescott	22,513	27,127.89	14,451.77
Wilbur Morgan, Pomeroy	26,400	33,528.00		C. C. King and J. C. Kinzer, Pullman	21,600	27,000.00	27,000.00
Calvin Raugust, Farmington	26,640	33,300.00	33,300.00	Welshaar Farms, Marlin	21,175	26,892.25	
Ed Faure, Jr., Ritzville	27,500	33,109.64	33,109.64	Ray L. Small, Jr., Lowden	22,238	26,757.66	
Ellsworth Conover, Waitsburg	27,447	33,073.78	33,073.78	A. S. Miller & Son, Colfax	21,330	26,662.48	26,662.48
Howard Jorgensen, Coulee City	25,695	32,889.60	32,889.60	James F. Ferrel, Walla Walla	21,998	26,288.09	
R. F. Young, Starbuck	27,486	32,845.89	32,845.89	Clarence Strohmaier, Lind	20,520	26,265.60	
Earl M. Pierson, Colfax	26,100	32,624.98		Paul Webb, Jr., Walla Walla	21,833	26,212.74	26,212.74
Phillips Farms, Inc., and Merlin Phillips, Walla Walla	25,020	32,526.00		I. A. Zakarison Estate, Pullman	20,855	26,068.50	26,068.50
E. E. Watkins, Spokane	27,356	32,416.33	32,416.33	Clyde Davis, Pullman	22,483	26,043.19	26,043.19
Bennett Land Co., Farmington	25,830	32,287.50	32,287.50	Lowell Baker, Pomeroy	22,312	26,033.78	26,033.78
Dick Edwards, Hartline	26,359	32,097.64	32,097.64	Paul E. and Glenn D. Hofer, Prescott	20,025	26,032.50	
Virgil Feezell, Mabton	23,985	31,900.05		Paul S. Hofer, Waitsburg			
Ferrell & Luvass, Pomeroy	27,095	31,836.12	31,836.12	Waneta Heilman, Los Angeles, Calif.			
Eugene Valera, Walla Walla	24,300	31,590.00		Harris Bros., Dayton	21,690	25,823.19	25,823.19
Morris Ganguet, Waitsburg	25,829	31,254.73	31,254.73	Edgar L. Smith, St. John	20,610	25,762.50	25,762.50
Yoshino Bros., Quincy	23,116	31,109.07	31,109.07	Myklebust Bros., Lacrosse	22,271	25,709.73	25,709.73
Nick Seivers, Jr., Lind	24,300	31,104.00	31,104.00	Fred Mader, Palouse	22,237	25,636.88	25,636.88
Orval Painter, Waterville	24,120	30,873.60		Pioneer Stock & Grain Farm, Inc., Colfax	22,043	25,443.46	25,443.46
George H. Ellis, Reardan	25,912	30,657.22		Virgil Stevens, Wilson Creek	21,044	25,366.72	12,115.52
Lawrence Timm, Harrington	25,760	30,525.37		Norman Hansen, Tekoa	21,990	25,365.38	23,123.73
Kenny Foulkes, Lind	24,281	30,296.37	30,296.37	R. C. Walker, Hartline	21,028	25,339.19	25,339.19
Dwelle Jones, Walla Walla	25,164	30,159.39		Raymond B. Williams, Almira	21,423	25,110.00	25,110.00
Elmer Schoesler & Sons, Ritzville	25,354	30,159.34		Scheele Bros. and Theodore F. Scheele, Fairfield	20,250	25,110.00	25,110.00
Heitstuman Bros., Clarkston	25,413	30,028.50	16,171.20				
Robert Heitstuman, Pomeroy							
Cornwall Farms, Fairfield	24,347	30,018.39	11,604.39				

Mr. PASTORE. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. I want to preface my remarks by saying that for a long, long time I have been very much interested and concerned with the whole price support program, in many instances I have taken a position contrary to the recommendations made by several previous administrations—and with the present administration, which is Democratic.

I should like to propound this question to my distinguished colleague: Will this affect the one-price cotton system which we have today and which we hammered out after years and years of frustration?

Mr. BREWSTER. My answer to my distinguished colleague from Rhode Island is that, in my judgment, this amendment will have no effect on the present cotton price structure.

Mr. PASTORE. Why does the Senator say that? It is my understanding this amendment excludes everyone who would get over \$50,000. As I understand the situation—and I will ask for time from the opposition to the amendment, because I do not want to take the time of the Senator from Maryland, unless he will indulge me; but, if he does not wish to yield me time, I wish to ask time from the opposition—

Mr. HOLLAND. Mr. President, I am glad to yield such time to the Senator from Rhode Island as he may need.

Mr. PASTORE. I will take only 5 minutes.

I would like the Senate of the United States to understand that in order for this Government to unload its surpluses in cotton, we have been selling and exporting cotton to foreign manufacturers at 8 cents a pound cheaper than the American manufacturers must pay for it. There is not a Senator in the Chamber who does not understand that there is a differential in the standard of living between our country and countries like Japan, Italy, France, Great Britain, Hong Kong, and many others in the world, that are manufacturing cotton cloth, making shirts, and sending them back to be sold on the American market.

I realize that to a certain extent America must use her ingenuity, her marketing ability, her styling skills, to make up the differential. This is because the American millworker makes from \$1.80 to \$2 an hour, while the Japanese worker may make 35 cents an hour.

In order to unload the cotton on the world marketplace, we sell to Japan our raw cotton at 8 cents cheaper than the man manufacturing a shirt in Rhode Island must pay for it.

The argument is made that unless we do it, we cannot sell the raw cotton. If we cannot sell the raw cotton, we cannot dispose of it. In the process we are closing down mills in the United States of America.

In the last 10 years we have experienced an astronomical increase in our gross national product. As a matter of fact, last year it was \$750 billion. This year it will be \$750 billion. In the last 10 years it has increased 100 percent.

In this prosperous period we have shut down 1,000 mills in the United States of America, and have thrown 350,000 millworkers out of jobs. Why? Because we cannot compete with countries that are buying American raw cotton 8 cents cheaper than the American people are able to buy it in America. To me that represents not only an inequity, but an inequity.

In order to arrive at a solution of the problem, I suggested to the late President Kennedy that we ought to sell cotton at 8 cents a pound cheaper to Japan, for example, in order to unload our surplus cotton, but we ought to add 8 cents a pound when it comes back at the port of entry. The administration said we could not do that. I asked why. We were told that the minute we did that, Japan would cut back on her imports of our raw cotton. We wrestled



with that problem day in and day out, month in and month out.

The only solution considered feasible was to pay the mill 8 cents a pound, which was criticized because it was alleged to be a payoff, or pay it to the cotton producer. We inaugurated that program.

I should like to know if the amendment of the Senator from Maryland is intended to take away the benefit of 8 cents a pound to the American cotton producer so we can maintain and preserve American jobs.

I wish to have a clear, definite answer, because I have been told by people who are knowledgeable in this field that the amendment will destroy the one price cotton system.

Mr. BREWSTER. Mr. President, in answer to my distinguished colleague, this amendment is to pay for yesterday's laundry. In other words, the \$3.5 billion that goes for commodity support prices in this bill of \$7 billion does not appropriate one single cent for tomorrow of the \$3.5 billion. What it does is replace past expenditures of the Commodity Credit Corporation, money that has already been spent, and it does not in any way, in my judgment, affect the issue the Senator from Rhode Island addresses himself to.

I know he, like myself, time and again in the past has supported the consumer position in the argument over agricultural support prices.

Mr. PASTORE. Indeed, I have, and I am interested in American jobs. One cannot buy anything unless he has money to buy it with. That is the reason why we are running around in circles.

Mr. BREWSTER. There comes a time to reevaluate our position on our agricultural policy. I have already placed in the RECORD a list of the many hundreds of people that have accumulated in excess of \$25,000 per year per crop from the U.S. Government.

Let me give some examples.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield so that we may get an answer to the question of the Senator from Rhode Island? The question involves what the farmer shall get for his product.

Mr. BREWSTER. I am willing to yield, but on the Senator's time.

Mr. HOLLAND. Mr. President, I do not want to get the time period confused. I yielded 5 minutes to the Senator from Rhode Island; has he concluded?

Mr. PASTORE. I think I used four and a half minutes. Did I not, Mr. President?

The PRESIDING OFFICER. The Senator from Rhode Island used 5 minutes.

Mr. HOLLAND. I am happy to yield more time to the Senator from Rhode Island, if he desires it.

Mr. PASTORE. No.

Mr. HOLLAND. I yield such time as he may need to the Senator from North Dakota.

Mr. LAUSCHE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. BREWSTER. Mr. President, I said I was happy to yield, but on the Senator's time.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BREWSTER. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. I ask the Senator from Florida [Mr. HOLLAND], how much money is appropriated in this bill to finance the program described by the Senator from Rhode Island [Mr. PASTORE] a moment ago, that is, the recompensing of the cotton processors? How much is involved?

Mr. HOLLAND. Mr. President, whose time are we operating on now?

Mr. LAUSCHE. It is Senator BREWSTER's time.

The PRESIDING OFFICER. The Senator from Maryland yielded to the Senator from Ohio.

Mr. HOLLAND. There is no specific sum appropriated for that purpose. The sum appropriated is to reimburse the Commodity Credit Corporation for losses incurred in 1964 and 1965, in carrying out the various commodity programs financed by the Corporation revolving fund.

Mr. LAUSCHE. No, my question is, what is the estimated cost of the subsidy to the processors of cotton goods?

Mr. HOLLAND. I cannot state that. I can state that the loans made in calendar 1965 to the cotton producers were \$168,952,778. The Senator will find that on page 59 of our report.

Mr. LAUSCHE. That does not answer my question.

Mr. HOLLAND. I cannot answer the question, if I may say, Mr. President, because this question was not involved in the hearings of the committee and is not involved in this particular bill. Therefore, I am unable to answer the Senator's question.

Mr. LAUSCHE. Will the Senator yield further?

Mr. BREWSTER. I yield.

Mr. LAUSCHE. In previous discussions on this subject, statements have been made in the Senate that the subsidization of the processors of cotton amounted to about \$350 million to \$400 million a year. How close is that to being correct?

Mr. HOLLAND. We do not deal with that particular subject under this bill. As I have tried to explain to my distinguished friend, this bill has no relation at all to the provisions of the farm legislation enacted last year. This bill reimburses the Commodity Credit Corporation for previous year's losses under the previous legislation, and restores it to a sound fiscal condition to continue its operations. But we do not compute for each commodity, in preparing this bill, what the Commodity Credit Corporation is limited to spending for that particular commodity in the next year. It is not done that way.

Mr. LAUSCHE. Where is the provision dealing with the subsidies to the processors of cotton?

Mr. HOLLAND. That was in the pre-

vious legislation and was amended by the legislative act passed in 1965.

Mr. LAUSCHE. In the authorization act?

Mr. HOLLAND. Yes, the legislative act.

Mr. LAUSCHE. How much are we expending to subsidize the processors? Can no one connected with this subject give an answer?

Mr. HOLLAND. I am unable to answer it. Maybe someone else is able to tell us.

Mr. YOUNG of North Dakota. On page 58 of the committee report, there is a table showing all of these payments. On cotton for calendar 1965, the estimated number of payments was 509,000 totaling \$69,551,000.

Mr. LAUSCHE. That still does not answer the question. It tells the cost of the cotton program, but it does not tell the cost of subsidizing the processors of cotton goods.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Maryland yield further?

The PRESIDING OFFICER. Does the Senator from Maryland yield?

Mr. BREWSTER. No, Mr. President, I should like to continue my presentation. I am somewhat surprised, though, that the proponents of this appropriation measure are not quite sure where all this \$7 billion is going.

My proposition is very simple: No one person should get more than \$50,000. That seems to me to be eminently fair.

Let me give some examples. I put in the RECORD, the record for 1964. I have pulled out of that some seven or eight people who really got a windfall at the expense of the taxpayers.

Jack Robison & Sons, Arizona, a sorghum producer, received a loan of \$98,000 which he never repaid.

Perry, Texas, sorghum, \$135,000.

Kehi Plantation, Arkansas, rice, \$81,000, never repaid.

Tulana Farms, Oregon, oats, \$140,000. Straight out of the taxpayers' pockets.

Mills Bros., Mississippi, rice, \$85,000.

Now listen to this one: Arkansas Grain Corp., soybeans, \$6 million.

Wallace, California, wheat, \$83,000.

Stanley, South Dakota, wheat, \$167,000.

Phillips, Washington, wheat, \$139,000.

In fact, some of the loans advanced were in amounts such as this: \$3.7 million to Producers Rice Mill, Inc., in Arkansas. And the Arkansas Grain Corp. was loaned a staggering \$16.4 million in 1964, of which they repaid a portion, but the taxpayers paid \$6 million.

I ask the Senate, what sense does this make? What sense does it make to the housewife, to subsidize large corporate operations to this extent?

I argue that it results in higher prices for the consumer, higher taxes for the taxpayers of the country, and serves no useful purpose.

The original purpose of the farm program was to save the family farmer. I am fully prepared to do that. But I am not prepared to subsidize, at great cost, the big producer. I do not see that this



is in accordance with the original philosophy of the measure that was passed.

I now yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I support this amendment, but I think we should clear up some of the points that have been raised here.

First, the Senator from Ohio asked the question as to what effect this would have on the subsidy that is being paid to the textile mills today.

The subsidy is not being paid to the textile mills now. A subsidy was paid under a previous law, but it is not affected by this amendment as of today. In previous years the subsidy was paid direct to the mills and amounted to, I think it was about 8 or 9 cents per pound. Then later the law was amended to provide that we sell to the American mills at the world price, and in order to do that the subsidy is now paid to the farmer. That subsidy amounts roughly to about 9 cents per pound, which means about \$45 a bale, and if Senators wish to get what the cost of that is to the taxpayers they can multiply that figure by the number of pounds used domestically.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MUNDT. While the Senator is figuring up the amount, I wonder if there is not an error in the calculations made by the distinguished Senator from Maryland, and whether, when he talks about the astronomical loss, he is not somewhat inaccurate, inasmuch as, when a large producer or a small producer gets a loan from the Government, the Government, in turn, receives either the grain or commodity or the money; so there would not be a loss as large as the one speculatively suggested by the Senator from Maryland.

Mr. WILLIAMS of Delaware. There is a loss, but the Senator from Maryland was pointing out in his report the amount of loans made to these individual units under the price-support program.

Mr. MUNDT. Precisely. And the Government then gets either the grain or the money.

Mr. WILLIAMS of Delaware. That is correct, and the loss sustained is on the sale of this commodity in the open market.

Mr. LAUSCHE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Maryland has yielded to the Senator from Delaware.

Mr. WILLIAMS of Delaware. But there is a loss sustained if the Government, after obtaining the grain, has to sell it at a loss; and it is that loss we are reimbursing in the Commodity Credit Corporation appropriations here this year, which amounts to \$2 or \$3 billion a year. Technically, that is the way we approach it.

Mr. MUNDT. The Senator is correct.

Mr. WILLIAMS of Delaware. It would be appropriate, however, that this amendment be adopted. It has been close to adoption before, and I am very much in favor of it.

There is no reason in my mind why they should use taxpayers' money to sup-

port these multimillion-dollar operations of the corporate type of farms. It involves less than 2 percent of our farmers. I have nothing against bigness in America if it is not done with Government money. From the standpoint of protecting the taxpayers, consumers, or farmers, I do not think it should be the policy of our Government to promote a farm program for crops and subsidize it for the large corporate farmers to the extent that they can take over and gobble up the small farmers with taxpayers' money.

That is exactly what is happening in America. I do not think this should be done with Government money. That is the reason that I am strongly in support of the amendment of the Senator from Maryland which would put a limit of \$50,000 upon the amount which any one individual could get from the Federal Government.

The Senator from Rhode Island raised the question concerning whether the amendment of the Senator would affect or nullify the two-price system; in my opinion, it would not. In all fairness, however, I should say that if we are successful in having this amendment agreed to, I am reasonably confident that it would have an effect on the program as administered. Those supporting the present program would see a revision. No doubt they would try to go back to the two-price system. That is the reason the textile mills are fearful. The amendment in itself, if agreed to, would not bring back the two-price system. I think we should look at this realistically.

I realize the concern of the Senator from Rhode Island. However, at the same time I think the Senator from Maryland is correct in his analysis. We would not automatically go over to the two-price system. It might lead to it, but this in itself would not.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Mr. President, if there is any justice in what I have said, and if there is any justice in the program itself, rather than laboring under promises to be made here and possibly never kept in the future, why would it not be better to modify the amendment now and obviate any injustice that might be done? Why should we repose our faith in assurances given on the floor, assurances which are so uncertain?

Mr. WILLIAMS of Delaware. I do not say that.

Mr. PASTORE. The Senator said it might not lead to it or it might. We cannot keep jobs in existence with terms such as "might" or "might not."

Mr. WILLIAMS of Delaware. I was trying to get the question straight. I was trying to be fair with the Senator from Rhode Island. Let it be clear that if an effort were made to go back to subsidizing the mills I would oppose it. I do not think we should be subsidizing the textile mills either directly or indirectly as is now being done.

Mr. PASTORE. The Senator is correct. The mills do not want it. They were absolutely against it.

Mr. WILLIAMS of Delaware. They do

not want the subsidy in their own name, but let us be realistic. They are getting a subsidy today, only it is being paid in the name of the farmer. It is the same amount.

Mr. PASTORE. The Senator is correct. However, if we stop selling it abroad cheaper than it is sold for in America, the American mills would have no complaint.

Mr. WILLIAMS of Delaware. If they would stop paying artificial support prices to produce more in America we would not have this problem.

Mr. PASTORE. Provided, they do not sell it cheaper abroad.

Mr. BREWSTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maryland has 2 minutes remaining.

Mr. BREWSTER. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS of Delaware. Mr. President, who has charge of the time on the bill?

Mr. HOLLAND. Mr. President, I have charge of the time for those who support the committee bill. I cannot yield to the Senator in view of the position he is taking.

Mr. WILLIAMS of Delaware. Mr. President, who has charge of the time for the opposition?

The PRESIDING OFFICER. The acting minority leader has charge of the time for the opposition.

Mr. YOUNG of North Dakota. Mr. President, I yield 2 minutes to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I yield to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I want to get clear one statement that the Senator made. I am one of those who look with great concern on the growing tendency to have corporate farming in this country. I do not think it is wholesome. I do not think it is good. I do not think it is in the public interest to have our little family farms constantly merged into corporate farming operations.

I want to get it clear in the RECORD. In the opinion of the Senator from Delaware, who has studied this issue very carefully, would the continuation of these large payments beyond the \$50,000 amount incorporated in the bill go to the level of encouraging new corporation operations as against family operated farms?

Mr. WILLIAMS of Delaware. In my opinion, it would not only encourage it, but would subsidize such expansion at the expense of the American taxpayers. That is the reason why I think the time is long overdue when we should put a limit on the amount that can be paid to any one operator.

I have no objection to a man having all the acreage that he can afford to buy and pay for. There is nothing in here to control that, and I would object to any legislation which would restrict the amount of land that any one farmer could plant or control provided he uses his own money.



I do think there should be a limit as to the amount that he could expect to receive under the price-support program from the Federal Government and a limit to his subsidy payments.

When the amount exceeds the \$50,000 limitation he should certainly use his own money and take his own loss or gain. If he cannot do that he should get out of the business, and the small farmers can take over.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. FONG. Mr. President, will the Senator yield me 2 minutes for a clarification of the Senator's amendment? Sugar was exempted last year, and I would like to propose a clarification to the amendment.

Mr. BREWSTER. Mr. President, I yield 2 minutes to the Senator from Hawaii.

Mr. FONG. Mr. President, the distinguished Senator from Maryland last year accepted an amendment which exempted the sugar compliance payment. I ask if the Senator will accept this modification to his amendment?

On next to the last line I would strike out the words "under title 3 of the Sugar Act of 1948, as amended," and insert in lieu thereof "of sugar, as defined in section 101(k) of the Sugar Act of 1948, as amended, under title 3 of such Act."

Mr. BREWSTER. Mr. President, I modify my amendment accordingly.

The PRESIDING OFFICER. The amendment is so modified.

Who yields time?

Mr. HOLLAND. Mr. President, I yield such time as he may desire to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President the time is long overdue for a study and reappraisal of the various subsidy payment programs. Perhaps the most lush of all subsidy payments is that made to the merchant marine, with which the Senator from Maryland is so familiar.

Under the Public Law 480 program appropriations contained in the pending bill, there are large amounts for subsidies to pay freight rates to the American merchant marine over and above the cost for which we could ship grain to foreign countries under foreign flags. This is all right, but the Senator should recognize that over the years, under the Public Law 480 program, the merchant marine has been subsidized to the extent of \$1,187 million. This amount was paid them for handling Public Law 480 commodities to needy foreign nations.

I suggest that this should be a subject of concern by the Senator from Maryland.

The Senator has also indicated a loss of some \$6 million on a single loan on soybeans. This is not correct. Soybean prices have been constantly above the price-support level. There has been a shortage of supply.

Mr. President, if this provision were to provide only for payments to farmers and not loans, I would support it. However, loans to farmers to make possible more orderly marketing are just as much in the interest of the small farmers as

they are in the interest of the big farmers.

A high percentage of these loans, particularly on wheat and many other crops are repaid. Why should we want to disrupted orderly marketing by placing a limit on the amount of loans that could be made to any one farmer?

Mr. President, I am amazed that the Senator from Maryland would state that the cost of these subsidies to farmers is about \$7 billion. Under the bill that is being considered today, about \$1.6 billion is to repay the Commodity Credit Corporation for the Public Law 480 program, the best foreign aid program we have. Yet, this is charged to the farmer.

The special milk program, from which the dairy farmers of Maryland derive great benefit, is under this bill, too. Also included are all the loans made through REA and RTA and the Farmers Home Administration which have a repayment record of almost 100 percent yet the Senator from Maryland considers these as subsidies to farmers.

We should have a better understanding of what this bill is about.

Mr. HOLLAND. Mr. President, I yield 5 minutes to myself.

Mr. President, the proposed amendment strikes at the heart of the price support and the cropland diversion programs now underway under existing law. The bitter truth about this matter is that the proposed amendment has a much broader objective. Before proceeding further Mr. President, I yield 2 minutes on the bill to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I wish to reply to the Senator from North Dakota.

The Senator from North Dakota pointed out that under this agriculture bill many items are charged to the American farmer which in reality should be charged to other departments. As one who has criticized our present farm program and as a strong supporter of the proposed amendment I wish to say that the Senator from North Dakota is correct in his analysis. As he has just said and as I have said many times, many items here need clarification as to what this farm program is costing from the standpoint of the farmers. I say that as one of the critics of the program and as one of the supporters of the proposed amendment.

As the Senator from North Dakota has pointed out, Public Law 480 should be charged to the foreign aid program. The school lunch program should certainly not be charged to the American farmers. In many instances such as these I believe it would be better for the country and the Senate if the bills were broken down so that when we criticize one of these programs—and I say this as one of the critics of this program—we would at least be specific on what the program itself is costing in each instance.

I believe it is too expensive a program, and I would like to see the amendment adopted and a limitation placed on payments; but we want our arguments to be fair.

I appreciate the generosity of the Senator from Florida in yielding to me in

order that I might concur in what the Senator from North Dakota has said. The Senator from North Dakota and I have discussed this point many times. In fact, we have spoken of getting together and attempting to get a true analysis of what the farm program, the maritime program, and many of these subsidy programs are actually costing the American taxpayers. Unfortunately they are included in different appropriation bills, and the different categories are mixed together so that very few people know what each program is costing.

I thank the Senator from North Dakota for pointing that out; in all fairness to the American farmers that should have been pointed out.

Mr. YOUNG of North Dakota. I would like to add that the Senator from Delaware has, for a long while, been seeking to accomplish this and to obtain a better system of budgeting.

Mr. HOLLAND. Mr. President, the proposed amendment, while it is well intended and is made by honest men who want to impose reasonable limitations on the price support program, would be a very serious and vital blow to the whole price support structure, the whole program loan structure, and the whole cropland diversion structure under existing law.

The Senator from Ohio [Mr. LAUSCHE] called attention to the fact that not all of the facts that he desired were available in the report of this committee and in the record. That is the truth, Mr. President, because this committee was endeavoring to do its duty, to bring out a bill to supply the cost of operation of the Agriculture Department and its related agencies under existing law for fiscal 1967. This bill is not rewriting the law that is on the books. This bill is not a legislative bill, but is an appropriation bill, and provides for the restoration of the Commodity Credit Corporation's capital losses incurred for fiscal year 1964 and 1965.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I cannot yield at this time. I have limited time. I shall yield 5 minutes to the distinguished Senator from Ohio later.

Mr. President, this bill is an appropriations bill. It has been carefully drawn. More than 2,000 pages of hearings are on the desk of every Senator. In the report are 69 pages showing every conceivable item that might have been desired, but not showing some of the things requested by the Senator from Ohio, because they do not pertain to the subject matter of this particular bill.

Mr. LAUSCHE. Well, it is in the report.

Mr. HOLLAND. Mr. President, the proposed amendment would very seriously hurt the operation of the cotton program, which was mentioned by the Senator from Rhode Island, the wheat program, which is of great importance to the wheat producing industry—particularly the States of North Dakota and Kansas—and to the feed grain producing industry. The proposed amendment would be of very great and



devastating importance to all of them, because it covers not just payments but also loans, even though many of those loans are repaid—every cent—with interest. Nevertheless, loans are also limited by the terms of the proposed amendment.

Mr. President, nobody can tell how

many producers will be affected by that, because that was not one of the pertinent facts before the committee. We can tell, however, from looking at the report of this committee, how big this subject matter is.

For instance, on page 58 of the committee report is a listing of the num-

ber and amount of payments for calendar year 1965. I ask unanimous consent that that tabulation be included in the Record at this time as part of my remarks.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

Number and amount of payments, calendar year 1965

Program	All payments		Payments below \$5,000		Payments \$5,000 to \$24,999		Payments \$25,000 to \$49,999		Payments \$50,000 and over	
	Estimated number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Emergency conservation measures.....	30,700	\$11,968,000	30,696	\$11,945,774	4	\$22,226				
Conservation reserve.....	163,000	152,932,000	162,664	151,251,200	336	1,680,800				
Cropland conversion.....	5,800	7,512,000	5,575	5,846,913	225	1,665,087				
Feed grain diversion.....	1,893,800	956,340,000	1,885,145	882,410,712	8,509	66,854,504	113	\$3,734,749	33	\$3,340,005
Feed grain price support.....	1,387,000	434,866,000	1,385,445	422,304,877	1,538	11,402,966	10	343,671	7	814,486
Wheat diversion.....	1,047,600	37,823,000	1,047,361	36,772,818	139	1,050,182				
Wheat certificates.....	942,000	487,234,000	934,259	423,859,871	7,652	60,211,153	80	2,456,421	9	706,555
Cotton price support.....	509,000	69,551,000	508,485	64,165,765	487	4,329,286	23	734,260	5	321,689
Sugar.....	75,000	77,195,000	72,370	32,729,445	2,438	23,099,588	114	3,731,162	78	17,634,805
Wool-mohair.....	263,000	17,926,000	262,747	15,886,181	250	1,963,781	3	76,038		
Total, all program payments.....	6,316,800	2,253,347,000	6,294,747	2,047,173,556	21,578	172,279,573	343	11,076,331	132	22,817,540

Mr. HOLLAND. From that report alone, it appears that in the feed grain diversion program the amount of all payments for that year was \$956,340,000. Those diversion payments were made because Congress had determined, in its judgment, that this was the best way to approach the problems which were facing agriculture. The amount of feed grain price support paid in that year was \$434,866,000.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Under the item of wheat diversion, \$37,823,000 was paid for the year 1965, and \$487,234,000 was expended for wheat certificates during the same year.

The PRESIDING OFFICER. Will the Senator yield additional time?

Mr. HOLLAND. Mr. President, I yield myself 5 additional minutes at this time.

Under the item of cotton price sup-

port, the figure shown is \$69,551,000, in that particular compilation.

If we go to the next page in the report of the committee, on page 59, we see a tabulation of the number and amount of loans for calendar year 1965. I ask unanimous consent that that tabulation appear in the Record at this time, as part of my remarks.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

Number and amount of loans, calendar year 1965

Commodity	All loans		Loans below \$5,000		Loans \$5,000 to \$24,999		Loans \$25,000 to \$49,999		Loans \$50,000 and over	
	Estimated number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Corn.....	73,685	\$217,972,425	65,183	\$139,020,206	8,274	\$70,245,352	194	\$6,230,723	34	\$2,476,144
Grain sorghums.....	22,869	93,416,117	17,781	24,081,393	4,533	47,616,405	462	15,310,698	93	6,407,621
Wheat.....	78,830	223,585,023	68,425	118,905,259	9,991	88,926,659	361	11,774,308	53	3,978,797
Barley.....	6,436	12,876,952	6,079	8,521,245	344	2,892,910	7	244,824	6	1,217,973
Oats.....	16,025	22,938,520	15,522	17,995,469	404	3,922,460	6	170,435	3	774,156
Rye.....	5,554	6,365,210	5,478	5,799,157	76	566,053				
Flaxseed.....	15,922	24,798,137	15,170	19,261,663	760	5,483,656	2	52,818		
Cotton, form A and G loans.....	(1)	886,697,959		229,784,421		349,615,237		138,345,523		168,952,778
Soybeans.....	62,152	172,101,052	56,991	80,115,109	4,979	39,863,738	133	4,584,588	49	41,537,617
Peanuts.....	126	55,873,948		27,746,539		23,193,761		3,861,408		1,072,240
Rice.....	1,109	48,630,141	410	985,421	395	5,475,823	204	7,167,131	100	35,001,766
Honey.....	530	2,095,960	419	590,421	99	1,047,427	10	322,024	2	136,088
Tung oil.....	883	5,506,482	814	3,659,751	51	545,501	11	340,454	7	951,746
Beans, dry edible.....	1,385	4,583,377	1,139	2,402,623	242	2,023,449	3	103,531	1	53,774
Naval stores.....	1	9,193,051		3,185,564		2,900,269		1,178,821		1,927,397
Tobacco.....	115	101,018,714		98,586,236		2,335,611		30,199		66,668
Dryer equipment.....	1,406	2,508,019	1,405	2,502,591	1	5,428				
Total, commodity loans.....		1,890,161,087		789,144,068		646,729,739		189,732,515		264,554,765

<sup>1</sup> Comparable number data not available because CCC makes loans to cooperative associations (form G) as well as loans to individual producers (form A) and the data on advances by cooperatives to individual producers is not available. Amounts shown

represent total form G loans to cooperatives and form A loans to individual classified by size.

<sup>2</sup> Represents number of loans to cooperative associations, not individual producers.

Mr. HOLLAND. Without attempting to quote all of the loan figures—and they apply to all the commodities separately—I shall mention some figures briefly.

As to wheat, the total loan figure was \$223,585,023. As to cotton, the total loan figure was \$886,697,959.

Mr. President, we are asked to take a blind approach—the case of the blind leading the blind—in which it is proposed to ban loans of over \$50,000, regardless of whether they were repaid. Many of them, of course, were repaid. We are asked to ban them in all three of these commodity fields which I have mentioned, and in other fields which

I will not mention because they do not happen to be that important.

The fact is that we are asked to take this leap into the dark, to outlaw the making of loans and the making of payments over \$50,000 to every individual or corporation throughout the country.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. As a member of the Senate Agriculture Committee, the Senator from Florida knows well that under the present cotton program as well as the wheat program, the

wheat certificate payments and the payments to the cotton farmers are supposed to be a part of the price the farmer gets for his wheat or cotton. The loan price was greatly reduced so as to better compete with foreign countries and to provide cheaper materials here at home.

Mr. HOLLAND. The Senator is so right, they are not only supposed to be, but they are a very important part of the price the producer gets for his labor and the use of his land.

Mr. President, since the law changed, effective in 1965, I call attention to the tabulation on page 293 of the record



of hearings for two purposes: First, to show that the cotton equalization payments of fiscal year 1965 under the previous legislation were \$409,604,844.

Mr. LAUSCHE. Mr. President, will the Senator yield at this time?

Mr. HOLLAND. I shall be glad to yield to the Senator from Ohio as soon as I finish this statement.

I call attention to that because those equalization payments made separately to the processors in that year. They were made as a part of the price support system in effect under that legislation, and for which the costs are reimbursed in this bill.

I yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. I wish to point out that the information which I sought earlier and could not get is now clearly provided by a reading of what is contained on page 293 of the hearings. That is, the cotton program helping producers, or whomever it was said it helps, the cotton grower, cost \$409 million in 1965. We are seeking to reimburse Commodity Credit Corporation for that cost.

Mr. HOLLAND. The Senator is correct in one part and incorrect in another part.

In fiscal 1965 that was the amount paid to the cotton processors; but that amount would not necessarily be paid to them in fiscal 1966, or 1967. The situation is entirely different under existing law enacted last year. This change in payments procedures is not due to the action of the committee, but rather to the action of the Congress in passing legislation which deals with this subject matter differently.

I plead with my learned friend that he not tamper with existing law in an appropriations bill without knowing what the outcome will be, and no man here can determine what the result would be by the application of this \$50,000 limitation on all loans and payments.

Mr. LAUSCHE. Mr. President, will the Senator yield a half minute to me?

Mr. HOLLAND. I yield one-half minute to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Florida [Mr. HOLLAND] knows that I was vigorously opposed to subsidizing processors of cotton. I am glad to know that the Senator from Florida opposed that initial measure.

Mr. HOLLAND. The Senator is correct, and that points up the fact that the Senator from Florida is not trying to write legislation on an appropriations measure, as this amendment proposes to do. The Senator from Florida is trying to carry out his duty as a member of the committee to help carry out the laws which are on the books, because we put them there, even though the Senator from Florida did not vote for it.

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. HOLLAND. Mr. President, I yield myself an additional 5 minutes.

From this tabulation on page 293 there appears another figure which I mention because it appears in the total payments for fiscal 1965, although it was in a different category last year. The payment on wheat certificates was \$106,652,864. I call attention to that fact because the

Congress, in its wisdom, placed this in a different category last year in the legislation approved for the 1965 crop year.

I say again, and without reflection on my learned friends, that this is a case of the blind leading the blind, in asking that we apply a limitation of \$50,000 on all loans, whether repaid or not, and all payments made under the laws which we have passed. It was the farmer who risks his land, and his own toil, and investments in the production of a crop, and the Congress should not attempt to change a law just passed last year in this manner, and with no knowledge of its impact.

The Senator from Ohio [Mr. LAUSCHE] placed his finger on the specific point involved when he said that we are not now considering legislation or the amendment of legislation. We should be considering the problem of financing of the Department of Agriculture to carry out laws that we have placed on the books.

I know something about the matter, and I wish to point out what was done. This committee acted over a long period of time to gather the facts and report them to the Senate. This bill was reported out of the full committee of 27, by unanimous vote.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me for 2 minutes?

Mr. HOLLAND. I yield to the Senator from Massachusetts [Mr. SALTONSTALL] on the bill for 2 minutes.

Mr. SALTONSTALL. As one who voted for the Brewster amendment last year, I must oppose it this year if it is to be added on to the agriculture appropriation bill, because of the ruling by the General Counsel of the Department of Agriculture on how such a limitation would affect the cotton program.

Last year Congress provided a one-price system for cotton. I strongly supported this program because our domestic cotton textile industry needs to be able to buy cotton at a competitive price with foreign manufacturers. We now find, however, that under the so-called snapback provision in the farm bill, if the Secretary of Agriculture is not able to make available to all cotton producers cooperating in the cotton program the amounts of loans and payments they would be entitled to under the cotton provisions, cotton would again go back on a two-price system.

Mr. John Bagwell, General Counsel of the Agriculture Department, in a letter to Chairman COOLEY, of the House Agriculture Committee, dated June 2, 1966, advised that a payment limitation to any one producer cooperating in the cotton program would trigger the snapback provision for the whole program. This opinion was rendered in connection with a payment limitation which the Senate included in the natural disaster planting legislation last month, but it is my understanding that it would apply also to the Brewster limitation in this bill.

Whether this ruling is right or wrong, Mr. President, this is the interpretation of the Department of Agriculture which must administer the cotton program. It is vital that we continue cotton on a one-price system. If we are forced back

onto a two-price system, New England textile mills, for example, will be required to pay 29 cents a pound for their cotton, while their foreign competitors could get our U.S. cotton for about 22 cents. Congress clearly declared their intent that this not happen in the cotton provisions of last year's bill. In addition, just a few weeks ago, we passed legislation to encourage cotton research and promotion. I believe we must maintain these efforts to stimulate our domestic cotton industry, both for producers and manufacturers, and therefore I must oppose this measure which threatens to place our cotton program back on the two-price system.

I thank the Senator from Florida for yielding to me in order that I might make my statement.

Mr. HOLLAND. I am glad that the Senator from Massachusetts mentioned one fact of three I will mention at this time to show what other steps are being taken to try to bring the market into some degree of order.

The fact that he mentioned was that the bill we passed and which is now being set in operation by the Department of Agriculture, imposed a \$1 per bale tax upon all cotton produced to step up improving the cotton situation. That does not look like the cotton producers are trying to evade their responsibility.

Another fact is that the cotton producers supported the bill last year, not just under the proposals of last year, but also proposals to favor the small producer because everybody knew the strain was on them, by giving them 4 or 5 cents more a pound. This was an attempt to enable them to stay in business.

Mr. FANNIN. Mr. President, will the Senator yield on that point? I would like to make a statement.

Mr. HOLLAND. I shall be glad to yield to the Senator, but I wish to make two more points in connection with wheat.

Everybody who knows anything about the situation knows that the Secretary is trying to carry out the wishes of the administration, and I think that they are in most cases the wishes of the Congress; trying to increase the production of wheat because the greatest need of the world is more food. The Secretary, because of his desire to help in that situation, gave a 15-percent additional allotment to step up the production of wheat.

Now, are we going to say that we are going to bring under this bill not only those who made \$50,000 to finance the crop last year, but those who yield to the request of the President and the Congress and the Secretary of Agriculture to produce more wheat this year to meet our international needs?

Mr. President, I shall not labor the point further. I am glad now to yield such time on the bill as the Senator from Arizona [Mr. FANNIN] may need.

The PRESIDING OFFICER. The Senator from Arizona is recognized for such time as he desires.

Mr. HOLLAND. I hope that the Senator from Arizona will take not more than 5 minutes, as I have so many other requests from Senators to speak.

Mr. FANNIN. Mr. President, I should like to support the points which have



been made so capably by the Senator from Florida as to the advantages which will accrue as a result of the provisions of this bill and the damaging effect the pending amendment would have on it.

The whole country stands to benefit if the cost of producing cotton can be reduced and if cotton products can be further improved. Scientists say these things can be done.

The question is whether the necessary investments will be made in research, promotion, machinery, land improvement, et cetera, and whether modern management and engineering skills can be attracted to cotton farming.

Efficiency is the key word in cotton's future. The drive for greater efficiency will be killed off if the Government deliberately discriminates against the larger cotton farmers. In most areas of business, the advantages of large-scale operation are clearly recognized. Only if firms become monopolistic are they considered to run counter to public policy. But the largest cotton growers in the country are not 1 percent as large as the biggest manmade fiber producer.

In manmade fiber manufacture, new discoveries are normally patented or carefully guarded as business secrets. Among the larger cotton farmers, the situation is exactly opposite to this. The larger farmers are usually best set up to try out new techniques of operation. They are usually the only growers with the financing, the management, and the scale of operation to put new scientific discoveries promptly into trial use. Their successes or failures are immediately known to all other farmers in surrounding areas and are communicated to all parts of the cotton belt. The larger farmers are thus the spearhead of progress in a great deal of cotton's struggle to compete with synthetics.

Cotton can be a great source of strength to this country if public policy does not cripple its drive toward efficiency. Right now the requirements of military procurement are forcing textile mills to shift back to cotton from synthetic fiber. New scientific discoveries are bringing all-cotton fabrics back into strong competition for manufacture of the new "durable press" garments. Research aimed at complete elimination of the boll weevil and other insects is now well advanced. Scientists predict that the cost of cotton production can be lowered 11 cents per pound through weed and insect control, mechanization, and so forth.

Farmers will soon vote in a referendum on whether they should be assessed \$1 per bale to finance the kind of research and promotion that can help solve cotton's basic problems—and the distinguished Senator from Florida covered that very capably. It would be tragic for the Government to step in and penalize the larger producers, who are counted upon to bear a substantial part of this burden.

The payments being made to cotton-growers under the Agricultural Act of 1965—excepting only the payments to "small farms"—are designed to do no more than maintain farm income at tolerable levels in the face of sharp acreage reductions combined with an 8-

cent reduction in support levels. This is not largess but a sound investment in the future of cotton. The investment and the leadership which has to come from larger farmers in cotton's drive for efficiency will surely turn to other fields if the Government adopts a policy of discrimination against them.

I thank the distinguished Senator from Florida for yielding to me to make this statement.

Mr. LAUSCHE. Mr. President, will the Senator in charge of the bill, who is in opposition to it—if there is any such opposition—grant me 5 minutes?

Mr. SALTONSTALL. Mr. President, as acting minority leader, I am glad to yield 5 minutes on the bill to the Senator from Ohio.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. I recognize fully the argument made by the Senator from Florida that this is an appropriation bill to finance the ordinary problems incurred in the past under laws of authorization. However, I would feel delinquent if I did not use all available time in my possession to express my vigorous opposition to a U.S. Government program which, under the guise of helping the little farmer to survive, would proceed to make payments of over \$50,000 in subsidies and loans aggregating \$264 million.

Now what I have just stated may not sound completely understandable, but \$22,817,540, according to the report, has been paid out to farmers in the way of subsidies in amounts of over \$50,000.

Therefore, how could it be said that a farmer who receives \$50,000 in subsidies comes within the category and the principle of the farmer who has to be helped to survive?

Such an argument cannot be maintained.

The second point is, I did not know that this was a fact, but page 59 of the report shows that loans of \$50,000 and more, as distinguished from payments, have been made aggregating \$264 million.

Again, I put the question: How can it be claimed that the farmer who is able to borrow \$50,000 and more from the Government is in the category of needing Federal help in order to survive?

Mr. President, such an argument cannot be maintained.

I have just discussed \$264 million loaned to farmers in amounts of \$50,000 and more, and now we come to another one, in the amounts of \$25,000 to \$49,000 where the loans have totaled \$189 million.

I cannot support the pending bill as it is written. I can support the amendment offered by the Senator from Maryland [Mr. BREWSTER].

I concur fully with the Senator from North Dakota [Mr. Young] and other Senators who allege that large charges in the agricultural program have been made against farmers that should not be charged against them.

I repeat most emphatically that every time I get the opportunity, I shall rise on the floor of the Senate to argue against this misnomer of a farm program con-

templated to help the little farmer stay on the land.

The amendment of the Senator from Maryland [Mr. BREWSTER], if it is adopted, will not disturb at all the little farmer. In my opinion, it will not disturb the farm industry.

In conclusion, I come to the subject of subsidizing the processor. It has been argued in this Chamber today that there is no subsidy of the processor of cotton—and let me bring this point to the attention of the Senator from Illinois [Mr. DOUGLAS]. When we initially passed the bill, the subsidy went to the processor.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, I yield myself 1 additional minute.

But the argument was made in this Chamber, since that time, that we have now initiated a new program of subsidization of the processor. Thus, that was removed and instead of paying the processor we are now supposedly paying the farm grower.

By whatever name one calls it, it is the same thing.

Mr. HOLLAND. Mr. President, I yield 1 minute to the distinguished Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, it is not my purpose to go into the many arguments that could be advanced against the pending amendment. For the past 15 or 20 years we have been dealing with this problem.

I ask unanimous consent that there may be placed in the RECORD at this point a letter from the National Grange addressed to me, dated July 14, 1966, which covers the subject very well.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,

Washington, D.C., July 14, 1966.

HON. ALLEN J. ELLENDER,  
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Grange would like to reiterate its position on Limitation of Payments for you and your distinguished colleagues in the Senate.

Support payments are made to assure farmers, who have expanded their productive capacity and increased their capital investment in times of national need, relief from hardship during times of a decline in market demand. Support payments on all commodities have been substantially reduced since the end of World War II. In some cases, these payments are not sufficient for the producer to receive a return even equal to his cost production. Although these payments have not contributed to a prosperous agriculture, they have prevented the economic distress in agriculture such as resulted after World War I.

Diversion payments are not a gift, but a legitimate return for a desirable action in the national interest. In the late 1950's, the United States was faced with the vast accumulation of agricultural stocks with enormous storage costs to the government. The use of diversion payments, coupled with voluntary programs, have dramatically reduced the stocks of wheat and feed grains; the low support prices in milk have continually reduced surplus milk production; and the planting of cotton during the present year indicates the smallest cotton acreage in many decades. This program is working to reduce the price depressing and tax consuming effects of surplus stocks.



The payments for limiting production are proportionately higher for the larger farmer, and so, also, is his contribution to reduced production. It seems only just that the producers with the greatest capital investment should earn the largest payments since they are making the largest reductions. In addition, there seems to be some doubt about the constitutionality of an action limiting payments in such a manner to discriminate against large producers.

Since most of the reduction programs are on a voluntary basis, the effectiveness of these programs would be reduced seriously by a limitation of payments to the larger producers. This action would force them to replant acreage for unneeded agricultural commodities. Consequently, the ultimate effect would be borne equally by the small farmers, through a decrease in farm prices, or by the Government, through an increase in surplus stocks.

With the present program, we have transferred our surplus of stocks to a surplus of capacity, and, at the same time, our capacity for production remains the highest in the world. Yet, our surplus capacity does not depress farm prices as surplus stocks have done in the past. A much smaller percentage of production goes into Government storage now, and a smaller percentage yet is unredeemed after the loan period.

In our judgment, the public has received a proper return on its investment, including—

A reduction in surplus stocks;

The steady supply of an adequate amount of basic stocks at reasonable prices;

The availability of agricultural products for export, making our agricultural exports the largest earner of dollars of all our exportable commodities; and

The strategic value of our productive capacity kept in tact.

Not the least of all the results has been a stabilized and improved farm income. Although it is still far too low, this program has fostered an increased equality for farmers in the domestic economic system.

For these reasons, Mr. Chairman, we would appreciate your conveying to the Senate the opposition of the National Grange to acreage limitation payments on any part of our agricultural program.

Respectfully yours,

HARRY L. GRAHAM.

Cc: Hon. GEORGE D. AIKEN.

Mr. HOLLAND. Mr. President, I agreed to yield next to the Senator from Mississippi, to whom I yield 4 minutes.

Mr. STENNIS. Mr. President, I take a small part of this time to highly commend the distinguished Senator from Florida [Mr. HOLLAND] and the distinguished Senator from North Dakota [Mr. Young] for the laborious work they have done on this bill. I commend them for the fairness of their presentation with respect to this amendment.

The question reduces itself into the simplest terms. Congress passed a basic agricultural act. The President signed it. Among other things, in effect, it sets the world market price of cotton as being the price of cotton in the United States. In other words, both thought it was necessary, in order to grow cotton, to provide some profit by the farmers receiving a subsidy.

Now, at the first chance in an appropriation bill, there is an attempt to repudiate the principles adopted in basic legislation—not as to everyone. It is not intended to repudiate it as to all, but only as to a few.

The basic unfairness of that proposal

is so apparent that I do not think we need any further argument. But if there is to be a change in that basic principle, then let us adopt basic legislation, measuring the merits of all groups, rather than go out with a meat ax and chop down one group, and say we are going to apply this proposition to one group, but not the others.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield briefly.

Mr. BREWSTER. Is it not true that the Mississippi State Penitentiary received over \$175,000?

Mr. STENNIS. That is incidental. It has a cotton farm, is one of the best managed penitentiaries in the United States, and provides its inmates with fresh air, and so on. It has no relation to the basic argument.

We talk about the little farmer. I represent the little farmer. I come from the area of the State where there are little farmers. I know their problems.

That is not the issue at all. There is a basic issue involved here, of a promise being made, and now there is an attempt to repudiate that promise in an appropriation bill.

Mr. SALTONSTALL. Mr. President, as the acting minority leader in charge of the time on this side, I yield 3 minutes to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. I think the distinguished acting minority leader for his graciousness.

Mr. President, under the bill as presently presented there would be no limitation whatsoever on the amount of loans and subsidies paid to any one farmer.

The Senator from Maryland is quite correct in saying that 20 percent of the total \$2.5 billion will go to the approximately 20,000 farmers with gross incomes of over \$100,000 a year.

The Senator from Maryland has limited loans and subsidies to \$50,000 for any one farm. The average net income per farm is approximately \$5,000. What the Senator from Maryland is proposing is that no one should receive from the taxpayers more than 10 times the average net farm income. Who can object to that?

The minimum income established under the poverty classification is \$3,000. The Senator from Maryland has proposed that no one should receive more than 17 times the poverty scale. That is certainly most moderate.

It seems to that it is a fundamentally sound argument that the farm subsidy program has become a program for many farmers who do not need help, and that it gives only a small proportion of its aid to the small farmer.

Many Senators would like to make cuts in the poverty program, but want to give 20,000 landlord farmers over \$50,000 each in loans and subsidies. They would take it out of the poor while pouring wealth into the pockets of the few.

The Brewster proposal will save tens of millions of dollars and possibly even more. It is my belief that we should support it.

I thank the Senator for yielding to me.

Mr. HOLLAND. Mr. President, I yield such time to the Senator from Texas [Mr. YARBOROUGH] as he may desire.

Mr. YARBOROUGH. I desire to express my appreciation to the Senator from Florida [Mr. HOLLAND] and to the Senator from North Dakota [Mr. Young], the ranking minority member of the Appropriations Subcommittee on Agriculture. I have the privilege of being the most junior member of that subcommittee, with some 13 Senators on it. On no subcommittee or committee on which I have served have I seen a chairman sit there and go through each individual item, whether there was opposition to it or not, with more care than does the distinguished Senator from Florida [Mr. HOLLAND]. He examines every item carefully, whether there is opposition to it or not. Many times the Senator from North Dakota [Mr. Young] helps him.

I have a communication from the Texas Farmers Union. Nearly every one of its members is a small farmer. They tell me, first of all, that these limitations cannot be made effective when participation in various farm programs is voluntary. What will happen is that the big corporate farms, at which payment limitations are aimed, will simply pull out of the programs. Without them you have no program. Large corporate farms will pull out and still survive, but the little farmer will not survive, because the program will be wrecked.

In the second place, in the case of cotton specifically, if the limitation is adopted, there is a "snapback" provision in the Food and Agriculture Act of 1965 that will automatically put cotton back under the 1958 act, which all backers of the 1958 act opposed.

I ask unanimous consent that the section from the act to which I have referred, subparagraph (12), which appears on page 10 of Public Law 89-321, be printed in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

Mr. YARBOROUGH. I would point out that the figure the distinguished Sen-



ator has earlier referred to, of \$264 million for all characters of loans, for grain, for sorghums, for everything, represented only 14 percent of all loans. That represented 14 percent of the total of over \$1,890 million.

Although the amount is large, when one considers the overall agricultural program, it is the tail wagging the dog.

Out of 3.5 million farmers in the United States, we have learned in the Education and Labor Committee in the hearings on the minimum wage bills, over 2 million of those farmers do not hire one single hired hand on their farms.

These are voluntary programs. Are we going to weaken the program for those more than 2 million family farmers on small farms?

Mr. BREWSTER. Mr. President I yield 1 minute to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, one of the main purposes of the price-support program is to protect the small farmer. We have always recognized the important role of these small farmers in American life.

But in the past we have given the most money to the largest farms—to the men who need the money least. Seven barley producers receive in price support loans more than the 1,753 small barley farmers. One-ninth of the rice producers get two-thirds of the Federal money for this crop. The Government loaned one company—the Arkansas Grain Corp.—over \$16 million.

Because of the world's needs and the changing picture of U.S. agriculture, we can no longer rely on our surpluses. American agriculture should produce enough food to provide for domestic needs, consumer exports, and food aid to certain developing countries.

President Johnson has said that we must have "a major effort to find new approaches to reduce the heavy cost of our farm programs and to direct more of our effort to the small farmer who needs help most."

Without this amendment, 2 percent of the farmers—those grossing over \$100,000 a year—will take in about one-fifth of the subsidy money. With this amendment, we will spend less money, and a proportionally larger amount on small farmers. I feel this amendment may best lead to an efficient and rational approach to the problems of agriculture.

Mr. BREWSTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes.

Mr. BREWSTER. I yield 1 minute to the Senator from Indiana.

Mr. HARTKE. Mr. President, I commend the Senator from Maryland for his leadership in this field. After all, the purpose of his amendment is to help the small farmer. The second purpose of his amendment is to help the consumer.

I certainly do not know why, under any theory of any thinking person, we should not be interested in helping the small farmer and the consumer to a better way of life. Certainly, if the Senator's amendment is adopted, we will save about \$25 million. That will help in cutting down the expenses of the Govern-

ment, to say nothing of the other items.

I might point out again, as President Johnson stated in his state of the Union message last year:

Our economy owes much to the efficiency of our farmers. We must continue to assure them the opportunity to earn a fair reward. I have instructed the Secretary of Agriculture to lead a major effort to find new approaches to reduce the heavy cost of our farm programs and to direct more of our effort to the small farmer who needs the help the most.

That is exactly what the Senator's amendment would do. I hope the Senate will approve this amendment, and I hope that we will consider this as a first step—and a serious step—toward economy in Government, and the realization that we are going to have to help the people who need it most.

I might point out that \$50,000 a year is certainly a little bit more than the average farmer makes—I was about to say during his entire life, but certainly 10 times what he makes in any one year.

Mr. BREWSTER. Mr. President, on this proposition I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BREWSTER. Mr. President, I understand I have 1 minute remaining, so therefore, I say in summation: This is just one step in calling a halt to a program which has gone far beyond what was originally intended. This program was set up to help the family farmer, the small operator with small acreage, without much machinery.

That we support. We think it is important to American society. What we do not think is right is for one corporation, in Arkansas, to get loans of \$16 million a year, and repay \$10 million.

The distinguished Senator from Florida, the proponent of the appropriation measure, said most of the loans had been repaid. Then why are we asking the taxpayers to put up \$3,500 million to make loans to millionaires? That is the question. My amendment would be one way of stopping it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SALTONSTALL. Mr. President, as the acting minority leader in charge of the opposition, I yield 5 minutes to the Senator from Delaware.

Do I understand, Mr. President, we have 16 minutes left?

The PRESIDING OFFICER. Fifteen minutes.

Mr. SALTONSTALL. I yield 5 minutes.

Mr. WILLIAMS of Delaware. Mr. President, I support this amendment and wish to say that I am as much interested in the welfare of the small farmers as has anyone else. In fact, there has been so much interest expressed for the small farmer that I sometimes wonder if it were possible to save all the tears that have been shed in the name of the small farmer it would not go a long way toward eliminating the drought with which we are now confronted in many areas of the country.

Let us get down to the facts of the matter. The adoption of this amendment would not in one single degree or

by one penny affect the small farmer in America. It would not affect any farmer in America who is receiving total payments of less than \$50,000 from the Federal Government. So let us keep that point clearly in mind.

Much has been said about the cotton farmers. Based on the report by the committee, on page 58, there are exactly five cotton farmers in the United States who would be affected by the adoption of this amendment as respects the amount of subsidy payments received only five.

As we use the statistics for 1965 I think I should be fair and say there would be more affected by the adoption of this amendment than the number reported by the committee, because in 1966 we shall be making the subsidy payments to the farmers rather than the textile mills; but, nevertheless, there are very few farmers who would be affected. As to wheat farmers, there are 14 farmers whose subsidy would be affected by the adoption of this amendment. Based on the reports, 132 wheat farmers in the entire United States received payments in 1965 in excess of \$50,000. So let us get straight what we are talking about. This does not affect the small farmers.

Now, as to price support loans there were about 300-and-some-odd—the figures are not totaled, but roughly 300 farmers that would be affected, not including cotton. This is based on the committee report. Cotton payments under price support loans are not included in the report. We are dealing with a relatively small number of large operators, and even those are not affected except to this extent: They could still receive up to \$50,000 from the Federal Government in subsidies or price supports. After that they would be on their own. And why should they not be on their own?

Much of American agriculture as we know it today has grown and flourished without any support prices whatsoever, without any subsidy payments. I am proud to say that the poultry industry of my State is one of them, and they have made out better by not being under Government operations and Government controls.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. The Senator mentioned a moment ago that only 14 wheat farmers in the United States would be affected. This would be true if a farmer raised only wheat. But I do not know of a single farmer in my State or the surrounding States who raises wheat alone. Most of the farmers are involved in raising of several commodities, including wheat, corn, oats, rye, soybeans, and perhaps wool or sugar beets.

For the life of me, I cannot understand why it is proposed we exempt sugar under this amendment and include wool payments. These programs are almost exactly the same.

Mr. WILLIAMS of Delaware. The Senator is correct. It has been called to my attention that under the present law



there are instances where there is an overlapping, and some are drawing \$50,000 under two or three different crops. In other words, it could well be they get over \$50,000 from two or more crops.

But the point is, why should we not limit to \$50,000 the amount to be paid under any one price support program? I ask that question from the taxpayers' standpoint and for the benefit of the small farmer. Because if we stop subsidizing corporate type operations, the small farmer can better compete, and he can stay in business and keep and maintain his small farm.

There is a second point. A few years ago, we administered the cotton program by subsidizing the textile mills to the amount of about \$300 to \$400 million a year. We are still subsidizing them today; the only difference is we are doing it by making the payments to the farmer. But indirectly the subsidy goes to the mills because they can buy the cotton about 8 to 9 cents per pound below the prevailing domestic price; therefore it is a subsidy, even though it is paid in the name of the American farmer.

During the hearings the textile industry and the various departments—the Department of Commerce, the Department of Agriculture, all others that offered testimony in behalf of that subsidy—said, "If you would reduce the price of cotton to the textile mills you would reduce the price of cotton cloth to the consumers and it would average out that the consumers as taxpayers would save the money."

Statistics put out by the Department of Commerce show that cotton cloth is selling at a higher price today than it was selling before we started subsidizing the price of cotton for the textile mills, before we started giving them cotton at world prices. So the consumers did not receive the benefit of the subsidy, but the American taxpayers are paying this \$300 to \$400 million a year.

Certainly there is merit to the Senator's amendment that we should confine the agricultural program to the American farmer and not give it to big business, and the best argument that I know of in behalf of the Brewster amendment is made by those who tried to argue against it when they called attention to what it would do to the textile mills.

That is the secret to the whole problem. The textile mills are more interested in this program than the American cotton farmer because it is the mills that are getting the subsidies, not the American farmer. I think it is time that we confine our agricultural program to the farmers and not try to take care of the textile mills. If we are to subsidize the textile mills and other industries let us do it as a subsidy to the industries and not charge it up to the American farmers.

Mr. HOLLAND. Mr. President, I have two more brief requests, and I am glad to grant them.

First, I yield 2 minutes on the bill to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I wish to make my position clear that I do not think this would benefit the con-

sumer. It certainly would not benefit the small farmer, as the evidence already put into the RECORD by my colleague indicates. However, with regard to the argument of my friend, the Senator from Delaware, who is an expert on taxes, he knows very well that, even though large payments are made to individuals, the income tax—of which he is a great master—does much to bring the situation back into relationship, one with the other. Most of the payment will be recaptured in any case, and that is one of the functions of that tax.

I am sure that the principle that is sought to be applied here would not be applicable or acceptable by the Senator from Delaware or the other sponsors for many of the companies in their own States, which companies benefit to a great extent from Government contracts. I am sure that the Senator from Delaware would not want to apply a \$50,000 limitation on the DuPont Co. I am not suggesting it.

Mr. WILLIAMS of Delaware. Mr. President, I have opposed subsidies being paid to companies in any State in any amount. I only wish I had more support.

Mr. FULBRIGHT. The principle that it is being sought to establish here arose last year. It has a saving factor. Its main objective is that if we take away this benefit for the larger companies, we negative the whole program. We might as well get started on a program to make it impossible for the big producers to comply.

I wanted to ask a question of the Senator from Maryland. He mentioned two companies in Arkansas.

Is it not a fact that the Arkansas Grain Corp., which the Senator mentioned, is a large cooperative with several thousand members, and that this money does not accrue to some big individual producers, but on the contrary accrues to several thousand small producers?

Mr. BREWSTER. I am sure that the Senator from Arkansas knows more about the situation in his State than I do. All I know is that \$16 million was advanced as a loan to a corporation in Arkansas and only \$10 million was repaid. The taxpayers lost \$6 million.

Mr. FULBRIGHT. That is probably the largest co-op in the State, and it has been very successful on the whole. I do not know about that loss. I had no notice of the loss aspect. However, the corporations which the Senator mentioned are two of the largest co-ops in the State. They have been quite successful in rice and soybeans, and I am sure that the full amount of the loan will be repaid when the crop has been fully marketed.

To leave the impression that some big corporate enterprise, such as DuPont Co., is taking a vast sum of money, I think is a misrepresentation of the facts.

Mr. HOLLAND. Mr. President, I yield 2 minutes on the bill to the Senator from New Hampshire.

Mr. COTTON. Mr. President, 1 minute will be sufficient.

Mr. HOLLAND. Mr. President, I yield

1 minute to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 1 minute.

Mr. COTTON. Mr. President, I merely wanted a minute to say to my distinguished friend, the Senator from Delaware, that ordinarily I would be able to support the amendment.

The Senator from New Hampshire is not happy about the subsidy method that we had to resort to after a long, hard, and desperate fight in order to allow American textile mills to buy their cotton at the same price that their competitors abroad buy it.

It was the only way in which this could be done, and it was imperative that it should be done. However, after a long, hard fight, we have at last placed the American textile industry in a competitive position as far as buying cotton is concerned.

I could not vote for an amendment which might undo all we have accomplished and might possibly place our American textile mills back in a position of paying more for their raw materials.

Mr. HOLLAND. Mr. President, I yield 1 minute to the Senator from Maine.

Mr. MUSKIE. Mr. President, the amendment of the distinguished Senator from Maryland raises an issue which has been raised over and over again. I have listened carefully to the arguments pro and con. I have obtained an analysis of the issue from the Department of Agriculture which I find persuasive. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

#### LIMITATION ON PAYMENTS

##### *Salient points*

Payments are an integral part of farm programs carefully tailored to specific commodity situations. For diversion they are partial compensation for adjustments made in the national interest. For price support they are economy, because in their absence expenditures would be higher. Payments are *not* "something for nothing," they are *not* welfare, and they do *not* represent hand-outs. They are a "quid pro quo" adopted as the least costly method of achieving program objectives. Their limitation could well be the beginning of the end of farm programs as we know them.

##### *Discussion*

A limitation on Government payments to producers of agricultural commodities would strike at the heart of our farm policy and probably result in the breakdown or death of the entire structure of farm programs in their present form. This conclusion inevitably evolves from consideration of a payments limitation in relation to our basic agricultural policy, and the nature and purpose of our farm programs, and the role of payments in those programs.

Our basic agricultural policy is designed to provide a continuously adequate supply—but not a burdensome excess—of food and fiber products at stable prices which are fair to both producers and consumers without undue costs to the Government. This policy deals with agriculture as a whole, and the demand for farm products as a whole. Our agricultural policy is not a relief policy. It is not aimed at the plight of individuals or



groups of individuals although it helps them by strengthening the economy of which they are individual parts.

#### FARM PROGRAMS

Farm programs are designed to achieve a reasonable balance between what farmers produce and what can be used—either domestically or through export channels. Present technology is so advanced and resources are so great that it is essential for these farm programs to be tailored to the prevailing commodity situation. Commodity programs are designed to affect the total economy of a commodity—the entire supply and the price for that entire supply.

Payments, like commodity programs, are geared to the circumstances of particular commodity situation. Payments under ASCS programs can be grouped in two categories: (1) diversion and price support, and (2) conservation.

1. *Diversion payments* are used to achieve a balance between production quantities that can be utilized, or, more literally, to induce a producer to hold down his acreage and production. (Such payments are made under acreage diversion programs for cotton, feed grains, and wheat, as well as cropland adjustment, cropland conversion, and conservation reserve programs. Other provisions of the commodity diversion programs—such as price support payments and certificates—also play a major role in reducing production to desirable levels.) Underlying diversion payments is the assumption that it is in the national interest to adjust production and supply. Such adjustments in the interest of the total economy or society should be apportioned. But a reduction in acreage is contrary to the individual farmer's interest—it reduces his income. Thus, there is a choice between two approaches: (1) give the farmer a quid pro quo—a diversion payment, or (2) maintain a mandatory program. The job is to adjust supply. The size of the payment only reflects the degree of participation or contribution to the total adjustment. Excluding large acreages from participation would be contrary to the purpose of the payment and the objective of the program. If large operators could not participate, total production would increase.

Loan operations, by their nature, would embrace the quantity that could not be marketed at the loan level. Denying or limiting the loan program to large operators would mean only that their production would be marketed largely through regular commercial channels, putting pressure on prices. Small operators would suffer from lower prices.

Thus, in the absence of higher payments to smaller farmers to withhold much more acreage, the production of smaller farmers would go under loan and total price support operations would increase. Either way, costs to the Government would go up.

*Price support or equivalent payments* are made to eligible producers of cotton, feed grains, wheat, wool, mohair, and sugar. The payments in the case of cotton and grains are offsets to reductions which have been made in returns which farmers heretofore could get for their crops by placing them under loan and turning them over to the Government in settlement of the loans. Payments on wool and mohair were described in the authorizing legislation as being intended to provide an incentive to increased production. In the case of sugar, the economy of which is more highly and rigidly structured, payments are generally referred to as "conditional" because of the various requirements imposed requisite to their issuance. Further, sugar payments are more than offset by taxes imposed on sugar processed, both domestic and imported.

2. *Conservation payments* are made under various programs. A common characteristic of all such payments is that they share the costs incurred by owners in carrying out needed and approved conservation practices.

Such payments have been appropriately described as reflecting the benefits to the total economy, or people collectively, from needed soil and water conservation.

#### PAYMENTS—SUBSIDY OR SACRIFICE?

There is substantial misunderstanding that Government payments to farmers are "something for nothing"—and nothing could be more incorrect. Moreover, in neither of the categories cited can payments be appropriately described as subsidies or net profit. In each case there is a consideration—a quid pro quo on the part of the producer.

Payments are *not* welfare. They are part of a stabilizing mechanism in the interest of the national economy. They have been adopted as the least costly method of achieving an objective. To limit the size of the payment would jeopardize the achievement of the objective. And, clearly, the supply adjustment is just as effective whether 10 producers divert 100 acres each or 100 farmers divert 10 acres each—so long as the unit rate of inducement is the same.

Payments are *not* handouts. Payments are made, for example, to farmers to take land out of production. It is their land; they have the capital, equipment, know how and the right to produce a commodity on it; and they forego the return from this output.

Payments are *not* net profit or subsidy. Payments are in lieu of income the producer would have received from raising crops on acreage held out of production, or to prevent losses which would occur to our endowment of soil and water resources for future generations in the absence of needed conservation measures.

In all cases, payments are in direct proportion to the farmer's contribution. Clearly, a payments limitation would prevent participation in programs by the larger producers. No useful purpose would be served and supply adjustment could not be accomplished by forcing such producers out of our programs. Their nonparticipation would, instead, result in increased costs to the Government, less effective programs, and perhaps a complete collapse of our present programs in a few years.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the prepared remarks of the junior Senator from Georgia [Mr. TALMADGE], who is necessarily absent, concerning the amendment offered today by the Senator from Maryland [Mr. BREWSTER] be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### NATIONAL POLICY AGAINST BIGNESS?

(Statement by Senator TALMADGE)

If we proposed to place limitations upon government payments to farmers because of the size of the individual operation, we should clearly recognize the nature of the issue. It is not whether subsidies are good or bad. It is whether subsidies should be used as a means of discrimination against the larger individual farmers, who produce the bulk of our crops.

This would be an extremely dangerous move, not simply for agriculture but for the nation. It is not in keeping with American tradition to oppose bigness as such, in business, industry and agriculture. We oppose bigness only where it restrains progress or otherwise harms public interest. But there is no contention that the large farms do any such thing. Much of our progress in agriculture, as in any other field, has been the result of bigness and the efficiency that normally goes with it.

In awarding Defense contracts—which necessarily contain various forms of subsidy—does our government avoid our giant corporations? Of course not. We are de-

lighted to award billions in contracts to such outstanding firms as General Dynamics, General Electric, Boeing, North American Aviation, Lockheed, General Motors and Westinghouse. We are grateful that we have these big corporations with their enormous potential for equipping our defense establishments.

In this country we have a long history of subsidization in the national interest. It began with the very first Congress, in 1789, when subsidies were established to encourage American shipping. Today the subsidies for American shipping are heavier than ever. For example, subsidies on ship operations averaged almost \$180 million a year from 1960 through 1964. Subsidies on ship construction average almost \$100 million a year in the same period.

And is there any discrimination, based on size, in the subsidy the various shipping companies may receive? Of course not. There is no discrimination because of the size of the contract or the size of the company with whom the contract is made.

And what about the billions that have been spent on mail subsidies? Have we had limitations here based on size? Of course not. A big magazine like *Life*—which is constantly taking aim at the "farm subsidies"—gets the same benefits of the mail subsidies as the small publications. On the basis of a post office estimate made a number of years ago, the mail subsidy for *Life* (in 1956) was about \$9½ million, compared with only about \$800 thousand for *Coronet*.

What I am saying is that the question of price support limitation for farmers goes far beyond agriculture itself. If we should arbitrarily set a limitation on a farmer's size and opportunity, we should be opening the door to the same kind of penalty on bigness and efficiency throughout the rest of our economy.

Today the government has massive powers to influence our economy for better or for worse. There are so many different subsidies that it takes eight pages simply to list them in a recent Joint Economic Committee report entitled "Subsidy and Subsidy-Effect Program of the U.S. Government."

There is no way to set up a total amount of the subsidies paid. The Federal Government estimates its current subsidy expenditure at something over \$7 billion a year but this does not even begin to take into account the many hidden subsidy benefits that are associated with such things as tariffs, depletion allowances, accelerated amortization of facilities, investment credit, etc.

The Federal Government, of course, has virtually unlimited powers over every form of economic activity. And if we now decide to use this power to penalize bigness and efficiency in a basic industry such as agriculture, how long will it be before this same principle is applied in the rest of our economy?

Price support limitation based on size of a farm is unsound and dangerous. It flies in the teeth of our American tradition. It should be defeated.

Mr. HOLLAND. Mr. President, I have no further requests for time.

Mr. SALTONSTALL. Mr. President, I have no further requests for time. I yield back the remainder of my time.

Mr. HOLLAND. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Maryland. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr.



BASS], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Washington [Mr. JACKSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mr. SMATHERS] and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

On this vote, the Senator from Tennessee [Mr. BASS] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote, the Senator from Georgia [Mr. TALMADGE] is paired with the Senator from Washington [Mr. JACKSON]. If present and voting, the Senator from Georgia would vote "nay," and the Senator from Washington would vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. COOPER], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Michigan [Mr. GRIFFIN], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent because of illness.

The Senator from New York [Mr. JAVITS] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. JAVITS], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Michigan [Mr. GRIFFIN] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 28, nays 53, as follows:

[No. 139 Leg.]

#### YEAS—28

Allott	Dominick	Nelson
Bayh	Douglas	Prouty
Bennett	Hartke	Proxmire
Bible	Hickenlooper	Ribicoff
Boggs	Jordan, Idaho	Robertson
Brewster	Kennedy, Mass.	Williams, N.J.
Burdick	Kennedy, N.Y.	Williams, Del.
Cannon	Lausche	Young, Ohio
Case	McIntyre	
Church	Morton	

#### NAYS—53

Aiken	Dirksen	Fulbright
Bartlett	Eastland	Harris
Byrd, Va.	Ellender	Hart
Byrd, W. Va.	Ervin	Hayden
Carlson	Fannin	Hill
Cotton	Fong	Holland

Inouye  
Jordan, N.C.  
Kuchel  
Long, Mo.  
Long, La.  
Mansfield  
McCarthy  
McClellan  
McGovern  
Metcalf  
Miller  
Mondale

Monroney  
Montoya  
Morse  
Moss  
Mundt  
Murphy  
Muskie  
Neuberger  
Pastore  
Pearson  
Pell  
Randolph

Russell, S.C.  
Russell, Ga.  
Saltonstall  
Simpson  
Smith  
Stennis  
Symington  
Thurmond  
Tydings  
Yarborough  
Young, N. Dak.

#### NOT VOTING—19

Anderson  
Bass  
Clark  
Cooper  
Curtis  
Dodd  
Gore

Griffin  
Gruening  
Hruska  
Jackson  
Javits  
Magnuson  
McGee

Scott  
Smathers  
Sparkman  
Talmadge  
Tower

So Mr. BREWSTER's amendment, as modified, was rejected.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONTTOYA. Mr. President, I wish to call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

#### AMENDMENT NO. 644

The legislative clerk read as follows:

On page 18, line 7, strike out "\$100,000,000" and insert in lieu thereof "\$125,000,000".

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. MONTTOYA. I yield myself 10 minutes.

Mr. President, the amendment which I have offered seeks to increase the appropriation for the food stamp plan, or program, by \$25 million.

The Committee on Appropriations has recommended a total appropriation of \$125 million to operate the food stamp program in fiscal year 1967.

Participation at the beginning of fiscal year 1967 totaled between 1.2 and 1.3 million people—325 project areas are now in operation, and 14 areas are scheduled to open shortly. It is now estimated that \$120 million would be required to finance the program in these areas for the full fiscal year. The \$125 million approved by the Appropriations Committee would obviously permit only a minimal expansion.

In enacting the Food Stamp Act in 1964, Congress contemplated a gradual, orderly expansion until the program reached all States and all communities that wanted the program. In line with this approach, the program was expanded during fiscal year 1966 from an initial total of 110 areas, at the beginning of the fiscal year, to the present 325. The number of people participating almost doubled—from just over 600,000 to more than 1.2 million.

The States are geared to this gradual expansion. They have filed requests on behalf of more than 400 areas. The low-income families in these areas need food assistance. Although our general level of prosperity is high, many families are not participating fully. Even the \$150 million requested will mean that some

counties will remain on the waiting list at the end of this fiscal year.

The \$150 million I am requesting is within the budget request recommended by the President.

We have an odd situation here today in this appropriation bill. I thoroughly approve the committee's action with reference to the school lunch and special milk programs but I cannot agree with their action in reducing the recommended level of funding for the food stamp program. My amendment restores the full \$150 million requested for this program. I will support a move to provide the full \$150 million requested for this program.

I said we have an odd situation and it is. There has not been a single question raised as to the effectiveness and the efficiency with which this program is operated. I have heard no one question its purpose or doubt its results in improving diets for low-income families.

I have heard no one say that we should slow down its momentum because there are indications of sloppy administration in the Department of Agriculture or in the States or in the communities that have the program. We have heard this type of charge against programs administered by other agencies.

We passed the Food Stamp Act in 1964. That act contained an authorization of \$200 million for this fiscal year. The Department of Agriculture has not asked us to go that far. They are fulfilling the intent of Congress by providing an orderly, equitable expansion of the program to areas of the country that want and need the program. The \$125 million proposed by the committee cut things too fine. It will require \$120 million to operate the program in just those 325 areas now participating and the 14 areas scheduled to begin shortly. We are going to be in the position of disappointing a number of counties that, on the basis of the action taken in the other body with respect to this appropriation, had good reason to expect extension of the program to their people this year.

Many States have geared their finances in anticipation of the passage of the full budgeted amount which the President recommended of \$150 million, the amount I propose in my amendment.

The country is prosperous, no doubt of that. There is also no doubt that thousands of families need food assistance despite the general prosperity. The food stamp program is a sound, accepted dignified way of getting food assistance to these families. We are not dealing here with an overnight nationwide expansion of the program. We are proposing a moderate expansion to maintain the momentum that has developed and to assure the States and communities that we meant what we said when we passed the act—the program will be made available in an orderly manner to every State and community that wants and needs the program.

I wish to say without reservation that I have a very high regard for the Senator from Florida [Mr. HOLLAND], with whom I serve on the Committee on Agriculture. I know that he is sincere in the



recommendations that have been made by his committee to the Senate.

But, Mr. President, food for hungry people should be the most important item on the agenda of the Senate. If we go through without increasing this appropriation to the level recommended by the President and the Department of Agriculture we are going to foreclose 300 additional areas throughout the country who are waiting for this bill to pass in order to program themselves into a food program which will feed hungry families throughout the vast expanse of the United States. That is what is at stake today and that is why I appeal to every Member of the Senate, because many Members have counties in their respective areas where hungry families are living and eking out an existence from day to day and going to bed hungry at night.

That is why it is of vast importance that we enact this program. The original intention of the program was to increase it gradually and that is what we are requesting by this amendment: to attempt to bring it up to the level recommended by the Department of Agriculture and the level that has been worked out by the States in cooperation with the Department of Agriculture.

Unless we do this many communities will be disappointed. But more importantly, many families who are going hungry will be deprived of this opportunity to feed their families and nourish their families properly so they can compete in American society with dignity and respect.

That is what is at stake. That is why I urge the adoption of the amendment today.

Mr. PASTORE. Mr. President, will the Senator yield to me for 2 minutes?

Mr. MONTROYA. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I have tremendous sympathy for the amendment. It is meritorious, so far as I am concerned, in every respect.

However, I wish to say this: In my 16 years in the Senate I have never met a man who is more considerate, more compassionate or understanding, than the distinguished Senator from Florida [Mr. HOLLAND]. He, least of all men, would want any man, woman or child to go hungry. I know whatever he does, he does conscientiously, seriously, sincerely and he feels that what the committee has done is adequate in every respect.

But there are two sides to the story. I have been told that there are some communities in my own beloved State of Rhode Island that will have to go without this help, unless the amount is increased.

I have every confidence, after informal discussions with the proponent of the amendment and the distinguished Senator from Florida [Mr. HOLLAND], that before the time expires on this amendment a proper adjustment will be made which will be satisfactory to carry out the intent and the desire of the Senate where human needs are involved.

I am told that there are several communities in my State that will face hardship if this help is not increased. That

information comes from the Department of Agriculture.

It predicates a measure of suffering that need not be—and must not be.

I compliment the distinguished Senator from New Mexico [Mr. MONTROYA] for offering the amendment, and I express my appreciation to the distinguished Senator from Florida [Mr. HOLLAND] who has listened today with compassion. I know he will act with justice and equity on the amendment.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield to me for 5 minutes?

Mr. MONTROYA. I yield to the Senator from West Virginia [Mr. BYRD] for 5 minutes.

#### INCREASED APPROPRIATIONS NEEDED FOR FEDERAL FOOD STAMP PROGRAM

Mr. BYRD of West Virginia. Mr. President, I wish to express my wholehearted support for the amendment offered by the Senator from New Mexico [Mr. MONTROYA] to increase the appropriations in fiscal year 1967 for the Federal food stamp program. The fiscal year 1967 appropriation bill for the Department of Agriculture provides \$100 million for the program with another \$25 to \$30 million expected in carryover funds from fiscal year 1966. I am reliably informed that the Department of Agriculture has contributed toward the operation of this program in 324 counties in the country. Another 300 counties have requested approval in the program in fiscal year 1967. I am told that it has been estimated that \$150 million is needed to operate the program in the 624 counties for fiscal year 1967, so it appears that the funds approved will not equal the needs in the counties already approved.

Mr. President, the State of West Virginia has long realized the benefits of this highly worthwhile program. It was begun as a pilot operation in May 1961, in McDowell County of West Virginia and has since been extended to 17 other counties in my State.

Although West Virginia has seen some improvement in its unemployment situation—due to the Appalachian regional development program—we are still faced with the unsolved problem of assisting our people with severe needs of survival in the small rural communities which have not benefited from the major developmental projects.

For this reason, we have requested that the food stamp program be extended to another 14 counties—many of which are the so-called pockets of unemployment. These counties all have small out-of-the-way communities where elderly persons reside by themselves and where men who have the skills of coal miners, have not been able to find other jobs in other areas.

It is estimated that some 7,000 households and 25,000 persons in these counties could benefit from the program.

However, if the appropriations for fiscal year 1967 are not sufficient to maintain the program in the counties already approved, it is difficult to see how it may be extended to still more counties, not yet approved.

The PRESIDING OFFICER (Mr. McIntyre in the chair). The time of the Senator from West Virginia has expired.

Mr. MONTROYA. Mr. President, I yield 1 additional minute to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 1 additional minute.

Mr. BYRD of West Virginia. Mr. President, in those counties where food stamps have been offered, there has been ample testimony of the program's value. School officials readily testify that children are more alert when they are properly fed; employment offices note that men, as the heads of households, are more ambitious and physically fit to accept employment when it becomes available; doctors report less chronic illnesses among the elderly citizens of the communities.

May I also state here, that employment in West Virginia has not yet seen the same improvement as it has elsewhere. The latest figures for the State, available from the U.S. Department of Labor, indicate that unemployment is still in the 6-percent category.

May I quote one passage from the President's Appalachian Regional Commission which made its report in 1964. It said:

The nutritional problems of the region persist despite the dedicated efforts of State and Federal officials who administer the Federal school lunch and commodity distribution programs. Increased funds will be needed to permit the extension of the school lunch program to those schools not now participating. The commodity distribution program cannot, however, be corrected by simply adding additional funds. The very nature of the program restricts the variety of the foods distributed; as a result many suffer from a lack of certain essential nutrients. The food stamp program—which has operated in selected pilot counties in Appalachia—has demonstrated its basic merit in overcoming these deficiencies and should be expanded.

The report is still correct today as it applies to the rural areas of West Virginia. They need the program.

Mr. President, I congratulate the Senator from New Mexico on his vision in offering this amendment and thank him for the time he has yielded to me to make these remarks.

I hope that the Senate will adopt the pending amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of those counties in West Virginia which would participate in the food stamp program during fiscal year 1967, if the pending amendment is adopted.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Counties in West Virginia which would participate in the food stamp program during fiscal year 1967 if the amendment is adopted:

#### OTHER AREAS THAT HAVE REQUESTED THE PROGRAM

Cabell County, Mr. HECHLER.  
Calhoun County, Mr. MOORE.  
Gilmer County, Mr. MOORE.  
Jackson County, Mr. HECHLER.  
Lewis County, Mr. MOORE.  
Pendleton County, Mr. STAGGERS.



Pocahontas County, Mr. STAGGERS.  
Putnam County, Mr. HECHLER.  
Randolph County, Mr. STAGGERS.  
Roane County, Mr. HECHLER.  
Upshur County, Mr. STAGGERS.  
Wirt County, Mr. HECHLER.  
Wood County, Mr. HECHLER.  
Mason County, Mr. HECHLER.

Mr. McCLELLAN. Mr. President, will the Senator from New Mexico yield to me?

Mr. MONTTOYA. I am happy to yield to the Senator from Arkansas.

Mr. McCLELLAN. I have heard reference made to some 324 areas now receiving benefits from this program. By areas, does the Senator mean counties within the United States?

Mr. MONTTOYA. Yes. Governmental units, either municipalities or counties.

Mr. McCLELLAN. I see. Then, according to the information I have, there are some 20 counties in Arkansas which have made application for participation in the program. Do I correctly understand that if only \$125 million is appropriated, which is the amount in the Senate bill, that possibly none of these counties would be able to participate because there would not be ample funds to include them in the program?

Mr. MONTTOYA. The Senator is correct.

Mr. McCLELLAN. Do I further correctly understand that if the amount of the budget is appropriated, as I understand it, the Senator seeks to go no further in the budget recommended to the President and the Department of Agriculture up to \$150 million?

Mr. MONTTOYA. The Senator is correct.

Mr. McCLELLAN. That is the budget. My understanding is that if that amount is appropriated, then some 5 or 6, possibly, of the 20 counties in Arkansas which have applied would be able to participate, but if we do not go to the budget, then there could be no new counties added in my State; is that substantially correct?

Mr. MONTTOYA. The Senator is correct. I stated in my remarks that there would be only minimal expansion. That is hardly any expansion at all.

Mr. McCLELLAN. Under the \$125 million appropriation?

Mr. MONTTOYA. That is correct. But if we get the full funding, then most of the counties in the Senator's State which have applied would be programed.

Mr. McCLELLAN. I do not know whether most of those 20 counties have applied.

Mr. MONTTOYA. I do not know how many have been certified pending this appropriation. The Senator has that information.

Mr. McCLELLAN. In my State, it may be five or six which possibly would be included in the program. Unless this is granted, they would not be included.

I heard something said on the floor a moment ago, possibly in the course of debate on the Senator's amendment, that some effort is being made to work out something which will be agreeable and satisfactory.

Mr. MONTTOYA. I am hopeful that such an agreement can be made.

Mr. McCLELLAN. I am not in the confidence of those who are undertaking to bring about an agreement on this question, but I hope that such an agreement can be made and worked out satisfactorily so that a number of counties which are anxious to participate, and are eligible to participate, counties in which families reside that the Senator has described, should be receiving benefits the same as other families in a comparable position. I hope that such an arrangement will be worked out. If not, I shall enthusiastically support the Senator's amendment because I believe that the program, where it can be extended, should be extended at least up to the budget recommendations.

If we are going to bring about some reduction in the budget and try to hold down expenditures, I believe I would rather reduce it in some other area where a program is just getting underway, where there is not much experience, and we are not certain they are operating on behalf of those for whom the benefits are intended.

We know that those who are in need of assistance are being reached. As the Senator knows, there has been no criticism of the administration of the program up to now. We can have full confidence and assurance that whatever we appropriate will go toward providing the benefits we seek to bring about.

Mr. MONTTOYA. I thank the Senator for his valuable contribution.

Mr. MONDALE. Mr. President, will the Senator from New Mexico yield?

Mr. MONTTOYA. I am happy to yield to the Senator from Minnesota.

Mr. MONDALE. I thank the distinguished Senator from New Mexico and commend him for his leadership on this important issue.

I am proud to serve with him on the Agriculture and Forestry Committee. His leadership on this issue is typical of his creativity, the dedication he gives to American agriculture, and to the proper application of the abundance of American agriculture in the American society, and in shipping food overseas.

At present, in Minnesota, as I understand it, there are 12 counties which are in operation. Since June 1st of this year, 3 more counties have been added to the list. Hennepin County will be added on August 1st, making a total of 16 counties presently or which will be in operation during the current year.

In addition, there are 16 additional counties—Renville, Lyon, Dakota, Benton, Clearwater, Otter Tail, Washington, Pipestone, Wright, Polk, Roseau, Chisago, Atkin, Pine, Chippewa—which have requested participation in the program but which, under present circumstances, must be denied when the last full funding requested by the President is appropriated by Congress.

Is that the understanding of the distinguished Senator from New Mexico?

Mr. MONTTOYA. Yes. I am so informed by the Department of Agriculture. In fact, I supplied the list to the Senator from Minnesota.

Mr. MONDALE. I am most pleased to join with the Senator from New Mexico in what is a needed improvement in the program.

Mr. MONTTOYA. I thank the Senator from Minnesota.

I now yield to the Senator from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. President, I associate myself with the amendment of the Senator from New Mexico. I do not think the problem is whether or not we feed the hungry—we are going to do it—but how we feed them. I think this is the best way to do it, rather than have somebody drive up to a warehouse and take a big basket of groceries, which is obviously against our economic system and our distribution of food, wholesale and retail. This certainly is the best plan to throw out of balance, to a lesser extent, the American economic system. I think it is so much better than providing gratuities at the warehouse, because the retailer and wholesaler are taxpayers and they furnish some of the funds that go into this program.

Mr. MONTTOYA. May I interject to say that, according to a study made by the Department of Agriculture, in the small communities where the Department has started to have the same program, grocery stores have noticed and experienced an 8 percent increase of intake at the retail level.

Mr. MORTON. Yes; and that means a tax paid at the local, statewide, and Federal level.

I merely say to the Senator that we obviously are not going to shirk our duty to feed the hungry. The best way to do it is through the plan the Senator has offered.

Mr. MONTTOYA. I thank the Senator from Kentucky for the valuable contribution he has made.

I yield now to the Senator from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. President, it is a privilege to associate myself with the amendment sponsored by the able Senator from New Mexico. I think it is well for us to realize that, in reality, this is not a handout; it is a helping hand. There is a very real difference between the two.

As the Senator from Kentucky [Mr. MORTON] so well said, this is a program for aiding needy families to which the Senate and the American people will subscribe.

The food stamp program benefits those families who are receiving some type of welfare assistance—including the unemployables, the aged, blind persons, the handicapped, and mothers with dependent children. There is also food stamp authorization to assist other families with incomes as low as or lower than those of families receiving welfare assistance, but who, for a variety of reasons, are not eligible for welfare grants. These may include persons living on small pensions, the unemployed, the underemployed, and those whose training limits them to unskilled low-paying employment.

Mr. MONTTOYA. Mr. President, if the Senator will yield, may I inquire how much time I have left?

The PRESIDING OFFICER (Mr. MONDALE in the chair). The Senator from New Mexico has 5 minutes remaining.



Mr. MONTTOYA. I yield 1 minute to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, under the program, families must invest the money they would normally spend for food in the purchase of food stamps. In return, they receive additional stamps without charge. The normal food budget continues to be spent for food. But, as we know, the normal food budget for low-income families cannot meet financially the nutritional requirements for a sound diet. Thus, one of the principal objectives of the food stamp program which has been very successful in West Virginia is to stimulate the use of more nutritious food for low-income families.

I am told that during fiscal 1966 the food stamp program was expanded to about 1.3 million eligible persons in approved areas throughout the country. The budget request of \$150 million—the figure in the House bill which our Appropriations Committee would reduce to \$125 million—would permit further expansion to thousands of needy people located in approximately 300 more areas. With the continuing improvement in employment in larger and more industrialized areas, States have placed a priority on making the program operative in smaller and more rural areas. This is indicated and vital in West Virginia.

Hence, enlargement of the food stamp program is important to our State. There are 18 counties in West Virginia currently participating in the program, embracing approximately 72,000 eligible persons. But, Mr. President, there are 14 priority counties with pending applications certified by the State welfare agency. The number of counties across the Nation awaiting approval is approximately 400. It is my understanding that to enable participation by any substantial number of these additional counties it is necessary that the budget request of \$150 million be approved. The pending applications may affect as many as 28,000 needy persons.

Mr. President, Gov. Hulett C. Smith, of West Virginia, has telephoned to express his concern that the food stamp program funding recommended by the Senate Appropriations Committee is inadequate. Governor Smith, through the responsible State agencies, has directed successful and effective food stamp projects. He indicated the pressing need for programs in the 14 additional priority counties in West Virginia.

I support the amendment of the capable and distinguished Senator from New Mexico [Mr. MONTTOYA]. He is to be commended for his alertness in moving forward with this worthy effort. I am hopeful that the Members of the Senate will restore the food stamp appropriation to the \$150 million budget level, thus providing the means through which food stamps may be extended to thousands of needy citizens on a realistic basis—not by a handout but by a helping hand from Government.

I support the amendment. I trust that the Senate will not so much override the Committee on Appropriations on this matter, but will realize the validity of the proposal which is advanced.

Mr. MONTTOYA. I thank my good

friend from West Virginia for his contribution.

Mr. HOLLAND. Mr. President, I am not without sympathy for the amendment offered by the Senator from New Mexico and supported by other Senators. The RECORD should clearly show what has happened in this matter.

First, the Senator from Florida was a member of the Committee on Agriculture and Forestry, the legislative committee which studied, reported, and supported to passage the Food Stamp Act. The Senator from Florida has been and is in sympathy with the purpose of that bill.

Second, last year the agency asked us for \$100 million. We provided the full amount. We were assured that it would be spent in fiscal year 1966. To the contrary, only \$70 million of that amount was spent; \$30 million remains unexpended.

When the agency requested \$150 million this year, they later told us that they would have a carryover of \$25 million, meaning that they were asking for twice the amount they had expended in fiscal 1966.

The committee thought that that was a little big for a step-up, so we suggested an appropriation in the amount which is provided in the bill, in addition we provided for the reappropriation of the unexpended \$25 million.

Now we find that the agency has made a larger mistake and has a \$30 million carryover.

I have told the distinguished Senator from New Mexico that it seems to me we are being very generous toward this objective if we double the appropriation that was actually spent last year, from \$70 to \$140 million. So far as I am concerned, I am not disposed to be ungenerous with this program but the subject was heard by the full committee.

I am disposed to step up the amount to \$140 million, which is \$70 million more than was spent last year, in spite of the fact that we are at the highest period of employment we have had. This would be accomplished by a step-up of the direct appropriation from \$100 to \$110 million, and by stepping up the reappropriated amount, as is found in the bill, from \$25 to \$30 million. It seems to me that that is about as generous as our distinguished friends could expect us to be. That will still leave in conference with the House the difference between \$140 and \$150 million.

Mr. MONTTOYA. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. MONTTOYA. Mr. President, I should like to modify my amendment accordingly, and I ask unanimous consent that I may do so.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The yeas and nays have not been ordered on the amendment, so the Senator has a right to modify his amendment.

Mr. HOLLAND. That would mean that the Senator would step up the first amount from \$100 million to \$110 million, and the second from \$25 million to \$30 million?

Mr. MONTTOYA. That is correct.

Mr. HOLLAND. I would have no objection to that.

The PRESIDING OFFICER. The amendment is so modified.

Mr. MONTTOYA. I sincerely thank the Senator from Florida for making this concession. I want it clearly understood that my remarks were not intended to cast any reflection upon the Senator's integrity or his feeling for hungry people. He is doing the job as he sees it in the Committee on Appropriations. I know that in the Committee on Agriculture and Forestry he has always exhibited a compassionate heart for the hungry, poor people of the country. I thank him for accepting this compromise on the floor of the Senate.

The PRESIDING OFFICER. Is it the understanding of the Chair that the Senator from New Mexico has modified his amendment as indicated by the Senator from Florida?

Mr. MONTTOYA. That is correct.

Mr. HOLLAND. Mr. President, may I read for the RECORD the modified amendment—at least as I understand it?

On page 18, line 7, strike out "\$100 million" and insert "\$110 million"; and on page 18, line 8, strike out "\$25 million" and insert "\$30 million."

That is the latest estimate on the amount of the carryover.

Is that the Senator's understanding?

Mr. MONTTOYA. That is correct.

The PRESIDING OFFICER. Does the Senator from New Mexico yield back the remainder of his time?

Mr. MONTTOYA. Yes; except I wish to say this, to conclude my remarks: I commend the two Senators from West Virginia, who have manifested great interest in this amendment, and have lent me considerable advice. In fact, West Virginia was the first food stamp area certified by the late President Kennedy in 1961.

Because of their interest, and because of the interest manifested by other distinguished Senators here, I have offered the amendment, and I am deeply grateful to the Senator from Florida, as well as to the Senator from Rhode Island, who has been greatly interested and has contributed to the solution of this problem.

Mr. HOLLAND. I am happy to have been able to work the matter out with the distinguished Senator from New Mexico.

I now yield such time on the bill as he wishes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. Is all time yielded back on the amendment of the Senator from New Mexico?

Mr. HOLLAND. Mr. President, I yield back the remainder of my time.

Mr. MONTTOYA. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Mexico, as modified.

The amendment of the Senator from New Mexico, as modified was agreed to.

Mr. HOLLAND. I yield 1 minute to the distinguished Senator from West Virginia.



Mr. RANDOLPH. Mr. President, I commend the distinguished Senator from Florida [Mr. HOLLAND] for his dedicated efforts in bringing the Agriculture Appropriations bill to the Senate floor.

He has been sympathetically understanding and cooperative. I know of his knowledgeability and interest in the problems of Appalachia. I know him to be a dedicated Senator with an abiding concern for people.

Mr. HOLLAND. I thank the Senator. I now yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate very much the courtesy of the chairman of the Subcommittee on Agriculture Appropriations, the distinguished Senator from Florida [Mr. HOLLAND] in yielding to me.

I wish to discuss with him briefly the amounts of money involved and the language written into the bill regarding one of the appropriations in which I am greatly interested—the watershed projects.

A very excellent article by John B. Reubens, managing editor, was recently carried in the Central States Construction magazine, from which I quote as follows:

Watershed projects are initiated by local groups and directed by a local board. Under Public Law 566, the Hope-Alken Act of 1956, federal funds are available to pay for costs of construction but the local people must provide right-of-way, water rights, land rights and maintain the completed project. If structures cost less than \$250,000, they can be approved at the state level; otherwise, the watershed plan must go to the appropriate committee of the U.S. Senate and House for approval.

Congress itself makes a yearly identified appropriation to finance Soil Conservation Service work on watershed protection. After salaries, in fiscal 1966, there was \$54 million available for construction and another \$5.9 million marked for watershed planning. According to experts, this was adequate because the SCS engineering staff cannot handle much more work than these funds will permit. For fiscal 1967, about \$55 million was available for construction and \$6.1 million set aside for planning.

At this point, executive interference with Congressional decision intervened. The Bureau of the Budget managed to get a directive written into the appropriation act, reducing the long-standing annual allowance of 100 projects planned and 80 under construction to 50 under planning and 35 under construction. This, for the entire United States.

When we consider that there are 469 watershed districts, completed or under construction in the United States, and that there were 2400 applications for districts on file as of January 1966, this limitation is unbelievable. At the rate fixed by the Budget boys, it would take 48 years to dispose of the planning backlog alone. Worse yet, since a large watershed may require as much as 8 years to complete its structures, time to construct even projects already approved would extend infinitely. This is not what the Congress wanted or wrote into the law.

As I understand it, from reading the report, there has been a reduction in the number of projects that can be completed under the President's proposal, and also certain limitations on the fund. I would appreciate any comments the chairman of the committee could make on that matter.

Mr. HOLLAND. Mr. President, I appreciate the request, and also the interest the distinguished Senator from Kansas has shown in this matter. It is a matter which has caused a great deal of concern to the committee.

The committee is in favor of the small watershed program. We have found through the years, however, that we have been making disproportionate appropriations for planning of new projects, in comparison with the money we have made available to carry out the advanced plans and perform the construction work. We have complained of this in earlier years. This year, we decided the best way was to take this dilemma by the horns and step up the appropriation for construction, which we did by \$2 million, we also reduced the number of new projects which can be worked on this year to 60, because the backlog of planned projects has grown steadily year by year until we are several years behind.

That obviously is not an unreasonable way to approach the program, and I hope the distinguished Senator will feel that our giving \$2 million more for construction is proof positive of our interest in the program and of our desire to see it go ahead more rapidly than heretofore.

Mr. CARLSON. Mr. President, I appreciate very much the statement of the distinguished Senator from Florida [Mr. HOLLAND], because I know of no one who has had greater interest in this field than he. Therefore, I fully accept his response, and appreciate it greatly.

Mr. HOLLAND. I thank the Senator. Mr. President, I may say that several members of our committee were greatly interested in this subject, some of whom I see on the floor. I am happy to yield to the Senator from Colorado, who was one of those so interested.

Mr. ALLOTT. I thank the Senator very much. I was one of those who were very much interested in this matter. On first hand, cursory examination, it did appear that the committee was doing an injustice. The explanation the Senator from Florida has given here is the one that was given in the committee.

There is one other thing which he mentioned in the committee, which I think should be brought out for the RECORD here. Is it not a fact that in some instances the planning had proceeded so rapidly ahead of the construction that they had actually had to do some replanning on projects which had already been completely planned at one time?

Mr. HOLLAND. That statement was made by my distinguished friend, the

Senator from North Dakota [Mr. YOUNG], the ranking minority member, who has several times told me that was the case. I am very sure that it is the case, and it would logically have to be. When you have plans developed years in advance, by the time you reach the construction stage, there are different developments in the area on the local lands and farms, and it naturally requires certain replanning.

I am sure that the Senator from North Dakota will recall having made that statement.

Mr. YOUNG of North Dakota. Yes; the Senator is correct. Our planning of these projects is ahead of the construction program.

If you are planning 4 or 5 years ahead of the time that construction of a project is undertaken, much of the planning is out of date and has to be done again. I agree with the Senator from Florida, the chairman of the subcommittee, that we should step up the funds for construction, and ease up a bit on the planning.

Mr. ALLOTT. I thank the Senator from Florida. I think it is a fact that when you plan 4 or 5 years ahead, it is almost a certainty that you will have to replan before you can construct.

Mr. HOLLAND. The Senator is correct. In the meantime, that involves additional money, and it disappoints many people, who think that when you have the plans drawn, that means construction is imminent. In many instances, that has not been the case.

I now yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I ask the Senator to yield at this time so that I may ask for the yeas and nays on final passage of the bill.

Mr. HOLLAND. I have no objection to yielding for that purpose.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. MILLER. Mr. President, will the Senator yield further?

Mr. HOLLAND. I am happy to yield to the Senator.

Mr. MILLER. Mr. President, each year I have served in the Senate, I have supported the agriculture appropriations bill, without which there would be no farm programs. I intend to continue this policy with respect to the bill now before the Senate.

Even though I have disagreed with some of these programs and have voted against them, I nevertheless recognize that a failure to appropriate the money to continue farm programs would be disastrous to the agriculture sector of our economy.

I might point out that a good many farmers have recently become acutely aware of the seriousness of the defects contained in some of these programs—defects in the form of undue authority in the Secretary of Agriculture to exer-



cise powers which depress market prices of agricultural products. These powers should be far more carefully regulated by laws passed by the Congress than has heretofore been the case.

The action by the Senate Appropriations Committee has, in good measure, restored some short-sighted reductions proposed by the President and his Budget Bureau.

The cooperative research service program for the State experimental stations would have been seriously impaired in Iowa and in other States by the proposed reduction of over \$7 million, which reduction has been restored along with \$5 million needed for maintenance of personnel at increased salary levels needed to meet the cost-of-living increase caused by inflation and also needed to strengthen the program.

The proposed reduction of \$9,600,000 for distribution to the States under the extension service program has been rejected; a reduction of \$20,200 for agricultural engineering research at Iowa State University has been restored; elimination of \$10,000 for cooperative beef cattle breeding research at Iowa State University was rejected, as was a proposed elimination of \$10,900 for research in corn genetics and breeding.

Perhaps the most significant action taken by the bill is the complete rejection of the administration's proposed cut from \$103 to \$21 million for the special school milk program; and not only is the administration's proposed reduction in the school lunch program from \$157 to \$138 million rejected, but the program will receive an additional \$10 million to meet the normal growth requirements. I might point out that I cosponsored a bill to maintain our school milk program at current levels, and this was covered by the recently passed Child Nutrition Act which I also supported. Action by the Senate in these matters indicates a consensus that the administration proposals to cut these programs while at the same time expanding less essential programs were not well founded.

I might note that the committee report at pages 47 and 48 contains language designed to avoid unnecessary and time-consuming action by REA-financed cooperatives, and this should make more acceptable the guidelines spelled out in the fiscal 1964 committee report.

I believe the Appropriations Committee has done a commendable job, Mr. President, and I wish to commend it for placing before us a money bill which is as reasonable as one could expect, taking into consideration the programs that need to be funded.

Mr. HOLLAND. Mr. President, I know of one further amendment, of which I have received notice that it might be presented, by the distinguished Senator from Michigan. I do not see

him in the Chamber. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator from Florida indulge the Chair for an inquiry? Is the time to be charged against his side?

Mr. HOLLAND. I suggest that the time be charged to neither side, Mr. President, unless there is objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, the Senator from Michigan has an amendment to offer.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

#### AMENDMENT NO. 646

Mr. HART. Mr. President, I call up amendment No. 646 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Page 17, line 16, strike out "\$167,000,000" and insert "\$171,500,000".

Page 17, lines 16-17, strike "\$2,000,000" and insert "\$6,500,000".

Mr. HART. Mr. President, I modify my amendment at this time to make it read:

Page 17, line 16, strike out "\$167,000,000" and insert "\$169,500,000".

Page 17, lines 16-17, strike \$2,000,000" and insert "\$4,500,000".

The PRESIDING OFFICER. The amendment is so modified.

Mr. HART. Mr. President, this amendment would provide additional Federal funds to implement section 11 of the National School Lunch Act.

The committee recommended \$2 million, the same amount provided for fiscal year 1966. Last year \$2 million resulted from action taken on an amendment which I offered on the floor and which the able Senator from Florida graciously accepted. This year the Department of Agriculture requested, and the budget proposed, an increase to \$6.5 million for fiscal year 1967. My amendment, prior to modification, would have increased spending under section 11 of the National School Lunch Act to that recommended figure.

It was in 1962 that the Congress added section 11 to the National School Lunch Act. This section, carrying its own provisions for the apportionment of funds among the States, is intended to provide an extra level of support for a lunch program in schools drawing attendance from particularly needy areas.

We have had 20 years of highly successful experience with the national school lunch program. It is available to three-fourths of the children enrolled in public and nonprofit private elementary and secondary schools. Eighteen million children participated in the program during the last fiscal year—about half of all children enrolled in schools that are in the national school lunch program.

One of the requirements made of schools under the National School Lunch Act is that children who cannot afford to pay the full price of the meal must be served a lunch at reduced price or free. For most of the schools in the program, fulfilling this requirement is not an undue burden. But many schools either did not come into the program at all because they knew they could not finance the lunch service or, if they were in the program, could underwrite the cost of the lunch for only their very neediest students. In both instances, the children suffer—they are the ones deprived of a program intended to help them. Section 11 was aimed at helping schools in this situation.

The \$2 million we appropriated for this purpose last year was used to develop a series of demonstration projects—at least one in every State and the District of Columbia—to show what could be done with a higher rate of Federal cash reimbursement per lunch and a great deal of effort and initiative on the part of the State educational agencies and the local communities.

The level of Federal support including surplus foods provided for each lunch was still less than half the cost of putting that lunch on the table. The balance had to come from State and local sources and whatever the child could pay.

The States had very little time to get the demonstration projects rolling and they did a commendable job. Since the Federal cash assistance can be used only for food, local school officials and civic groups had to meet other program costs as best they could.

A total of 831 schools participated in the demonstration projects. The enrollment in these schools was 325,000 children. Nearly 137,000 children, or more than 60 percent of the total enrollment, participated on a daily basis. A total of 82 schools operated lunch programs for the first time. The average daily participation was approximately two-thirds of the total enrollment in these 82 schools. I ask unanimous consent that a tabulation showing the number of projects by State and the number of children participating be printed in the Record at this point.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:



*Special school lunch demonstration projects under sec. 11 of the National School Lunch Act—Increases in participation resulting from special assistance payments<sup>1</sup>*

Projects	Average daily participation				Lunch price		Projects	Average daily participation				Lunch price	
	Number	Before sec. 11	After sec. 11	Additional children	Before sec. 11	After sec. 11		Number	Before sec. 11	After sec. 11	Additional children	Before sec. 11	After sec. 11
		Number	Number	Number	Cents	Cents			Number	Number	Number	Cents	Cents
Alabama.....	16	720	2,546	1,826	23	23	Missouri.....	2	1,017	1,151	134	22	10
Arizona.....	4	676	1,523	847	27	15	New Jersey.....	3	311	362	51	30	20
Arkansas.....	10	561	1,876	1,315	20	15	New Mexico.....	18	1,974	2,163	189	19	19
California.....	20	3,604	5,971	2,367	31	21	New York.....	106	25,809	29,017	3,203	25	22
Colorado.....	3	276	453	177	30	15	North Carolina.....	6	2,060	4,991	2,931	23	12
Connecticut.....	1	311	491	180	35	25	Ohio.....	5	2,336	2,766	430	27	17
Delaware.....	1	58	113	55	25	15	Oklahoma.....	3	1,009	1,394	385	23	18
District of Columbia.....	1	295	547	252	30	20	Oregon.....	1	222	314	92	25	15
Florida.....	12	3,800	5,500	1,700	31	15	Pennsylvania.....	25	3,995	5,169	1,174	32	15
Georgia.....	20	5,560	7,356	1,796	25	19	Rhode Island.....	1	225	776	551	30	10
Hawaii.....	2	224	247	23	25	17	South Carolina.....	14	2,365	3,663	1,298	17	15
Illinois.....	7	1,200	1,800	600	24	16	South Dakota.....	11	744	874	130	26	20
Indiana.....	5	353	697	344	33	19	Tennessee.....	78	7,088	8,106	1,018	24	16
Kentucky.....	61	11,401	13,800	2,399	26	18	Texas.....	31	4,401	8,072	3,671	(2)	(2)
Louisiana.....	13	6,384	8,912	2,528	17	8	Utah.....	2	369	584	215	20	10
Maine.....	4	120	250	130	27	15	Virginia.....	13	1,459	2,761	1,302	26	13
Maryland.....	5	413	686	273	26	19	Washington.....	2	362	469	107	28	15
Massachusetts.....	15	1,352	2,517	1,155	20	15	West Virginia.....	23	2,776	3,195	419	24	21
Michigan.....	19	3,407	4,147	740	22	14	Wisconsin.....	5	865	1,000	135	23	13
Minnesota.....	5	2,203	2,404	201	21	16							
Mississippi.....	8	1,834	3,448	1,614	19	14	Total.....	581	104,169	142,111	37,942		

<sup>1</sup> Data not shown for several States because incomplete.

<sup>2</sup> Lunch prices not reduced. Special payments used to finance additional free meals.

<sup>3</sup> Not available.

Mr. HART. Mr. President, while complete data are not available on the level of participation in each of the projects prior to the pilot program, it is estimated that more than 50,000 needy children received lunches for the first time at school.

I would like to give a few examples as to how the program worked and what some of the people most deeply involved with the education of these children feel:

In Michigan, typical of immediate results achieved was the record in the Pelham School in Detroit which supplied lunches for the first time to 437 of its 959 attending children. In Les Che-neaux School in Mackinac County with 526 attending children participation rose from 256 to 308, a 20-percent increase. Similar participation increases were noted in other Michigan schools selected for the project.

In North Carolina, six schools participated in the demonstration project. Prior to the new program, less than one-third of the total enrollment of 6,400 children were participating in the lunch program. As a result of the additional assistance provided the student participation increased from 2,060 to nearly 5,000.

In California, 20 schools were approved for special assistance with an average daily attendance of 13,840 children. Here, the increase in participation as a result of reducing the lunch price from 30 cents to 20 cents, was 65 percent. In addition, there was a decrease in the number of lunches previously served free because more children could afford to pay the lower price for the lunch.

In Pennsylvania, 25 urban and rural schools with an enrollment of 9,000 children were approved as demonstration projects. Lunch prices were reduced from an average of 31.7 cents to 15.7 cents in these schools. As a result, the level of program participation increased by one-third and the number of free lunches provided more than doubled.

Here is what a few teachers and principals had to say as to the effects of the program:

Joseph C. Carroll, Principal, Washington Elementary School, Kenner, Louisiana: "I have seen a tremendous result since participation in the lunchroom has been increased due to lowering the lunch price from 20 cents to 12 cents per child. This improvement has been physically and scholastically noticed."

Sister M. Florence, OSB, teacher, Our Lady of Guadalupe School, La Junta, Colorado: "... there has been a definite increase in alertness and attention in school. Several children who habitually fell asleep during lessons no longer do so. One child used to faint periodically from lack of food. This also has stopped."

L. S. Mosely, Principal, Cumberly High School, Cumberly, North Carolina: "Since the initiation of the new program on December 1, 1965, the ADP (average daily participation) has more than doubled. Teachers have reported better attendance and improvement in the academic work of the students. The morale of the whole school is much higher."

Mrs. Wise—School Nurse, Shaw Jr. High School, Washington, D.C. Said she was "very pleased with the program" and stated "there was a remarkable change in the students now eating in the cafeteria for the first time." She "reported a decreasing number of students complaining of stomach cramps (from lack of food) and the children seemed to be happier."

R. P. Martin, Superintendent of Public Instruction, Herford County, North Carolina, Re: Robert L. Vann School, Abeskia, North Carolina: "The Special Assistance Program has enabled the school to feed in excess of 1,200 students daily since December 1, 1965, and the effect has been gratifying. Pupil morale is up. They take more pride in their lunchroom and in their school. Large numbers eating in organized groups in assigned areas of the room with the lunch period being used as a teaching and learning period in good eating habits, proper use of eating utensils, and good health practices is having a noticeable effect on the children. Teachers report that children who were formerly inattentive in class due to lack of proper nourishment have shown improvement in their class work and seem more interested in achieving the educational goals set for them. Many of the children who formerly were absent much of the time have improved

attendance records resulting in better school work."

In the light of these results and these endorsements, I believe this program has demonstrated its effectiveness and has justified the congressional action in adopting this special approach in 1962.

I believe we can now do no less than continue this effort at the present level for the coming school year by providing \$4.5 million.

There is uniform agreement that the program has been exceptionally wisely undertaken. The experience with the program, as indeed is reflected in the report filed a few days ago by the Committee on Agriculture and Forestry on the child nutrition law, makes clear that the program deserves the fullest support based on this very satisfactory experience.

I would hope that 1 year's additional experience at the present level will persuade us substantially to increase it in the years ahead.

The distinguished and able manager of the bill and chairman, the senior Senator from Florida, and the ranking minority member, Mr. Young of North Dakota, and I have reviewed the objective that is sought to be attained by the amendment. I believe they concur in the \$4.5 million figure. The amendment, I hope, will be supported.

Mr. HOLLAND. Mr. President, the purpose of the committee in including the \$2 million was to fulfill the effort that had been started last year. We thought and had been given reason to believe that this amount would permit carrying the program on through the next year, as started.

It now appears that is not true. The amendment of the distinguished senior Senator from Michigan has been modified to cover the inclusion of \$4.5 million rather than \$2 million as provided by the committee. This will finance expenses for the full year on the trial program.

Mr. HART. That is my understanding.



Mr. HOLLAND. Mr. President, with that understanding, the Senator from North Dakota and the Senator from Florida, without endeavoring to speak for all members of the committee—because we have not had a chance to confer with them—are willing to accept the amendment and take it to conference.

Mr. HART. Mr. President, I am very grateful, as I was a year ago, to the Senator from Florida and to the Senator from North Dakota for their recognition of the value of the program and for their willingness to attempt to maintain it.

Mr. YOUNG of North Dakota. Mr. President, the Senator from Michigan is a very good salesman and has done an excellent job of presenting his case. This program is a very fine one.

Mr. HOLLAND. Mr. President, I yield 3 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 3 minutes.

Mr. McGOVERN. Mr. President, I rise to support the amendment offered by the senior Senator from Michigan [Mr. HART]. During the course of the last year, I had an opportunity to visit with Father Charles Woodrich of the Annunciation Grade School in Denver, Colo. This parish is in the center of the city of Denver and is made up largely of low income, Spanish and Negro families. Father Woodrich's school was invited to participate by USDA under the pilot program which was funded by the \$2 million implement to section 11, offered by Senator HART last year. The parish inaugurated a special assistance lunch program. It produced remarkable effects.

Father Woodrich has summarized the results of the program in the attached statement. I ask unanimous consent that his statement entitled "Special Assistance Lunch Programs for Elementary and Secondary Poor Schools" be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**SPECIAL ASSISTANCE LUNCH PROGRAMS FOR ELEMENTARY AND SECONDARY POOR SCHOOLS**

When the War on Poverty of this administration started, we were invited to take part in what USDA called a Special Assistance Lunch Program.

There had been no food program in poor schools because the schools would have to charge 30 or 35¢ for a lunch and the administrators knew the children could not afford it. Consequently the whole program would be a failure. So we began 10¢ hot lunch for grade school kids and 15¢ for high school students.

How does the Special Assistance Lunch Program work?

USDA gives double allotments of surplus foods and every month pays each school in cash for all the food they buy to give a balanced diet. (This cannot exceed 15¢ per day per child.) This give a child milk, meat, vegetables, freshly baked rolls, fruit and dessert. The child comes back for seconds, or thirds, free of cost. Also extra milk is free. The children are so hungry that it is necessary to cook twice as many meals as there are children in or to satisfy their hunger. For most of them it is the only balanced meal they get all day.

The 10 and 15¢ pays the cooks and other incidentals in running the kitchen. Now this is possible because there is volume, all the kids are eating. Not a few children, as in 30 or 35¢ lunch programs in the poor schools at the present time.

Results from the Program: 1 and ½ years as pilot study in Denver, Colorado

- (1) All the kids eat everyday.
- (2) Absenteeism is down 36%.
- (3) Their marks have gone up, because they have energy to study.

(4) Stealing and other Juvenile crimes dropped. There are one out of 300 children per year compared to 1 out of twenty in the other schools where they do not eat.

(5) The kids take part in extra curricular activities, sports, etc. Before they did not have enough energy to do this. Their interest is up. And they stop hanging around with those that are out of school after school hours.

(6) Health and knowledge of new foods and eating habits is much better. They cannot be measured by yardstick you have to see it and then you just know this to be true.

(7) This program positively stopped drop outs in many cases. I know because I have seen the cases.

A poor child cannot pay 30 or 35¢ for a Hot Lunch, so he goes hungry. (This is all the National School Lunch Program provides now).

**SUMMARY**

USDA needs about \$24,000,000 to be allocated to the Section 11 of the National School Lunch Program of 1963 and the poor children in all the poor schools of this great country can be fed a decent meal.

\$2,000,000 was allocated by Congress last year to study this, but we don't need to study on empty stomachs to find out it needs food. We need the program now.

Mr. McGOVERN. Mr. President, I call the Senate's attention to Father Woodrich's summary in which he states that USDA needs \$24 million under section 11 of the national school lunch program in order to take care of all poor children in all poor schools. In view of this great need, let me say that the amendment of the senior Senator from Michigan in the amount of \$4.5 million is a modest one indeed. Permit me to urge the Senate to adopt his amendment and to instruct the conferees on the part of the Senate to insist on this amendment being sustained in conference.

Mr. HOLLAND. Mr. President, I yield back the remainder of my time on the amendment.

Mr. SALTONSTALL. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the senior Senator from Michigan.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, there may be some Senator who has an amendment to offer, but I have no knowledge of it.

Mr. President, I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. YARBOROUGH. Mr. President, I again express my thanks, admiration, and appreciation to the chairman of the Agriculture Appropriations Subcommittee, the distinguished senior Senator

from Florida [Mr. HOLLAND]. He has put in a tremendous amount of work on this bill. His great knowledge of agriculture has been gained from many years of work on both the Agriculture Committee and on the Agriculture Appropriations Subcommittee. While no one is ever completely satisfied with an appropriations bill, we must recognize that the job of a chairman is a demanding one. The Senator from Florida shows unfailing patience and courtesy.

**RURAL ELECTRIFICATION ADMINISTRATION**

Mr. President, the committee report contains language which should enable the rural electrification program to go forward in a prudent, sound manner to meet the increased needs of the future.

The directions of the committee report accompanying the fiscal year 1964 Agriculture Department appropriations bill require that, before approving loans for generation and major transmission, the REA Administrator take certain steps to evaluate existing or proposed contracts by which private companies supply or offer to supply wholesale service to REA-financed cooperatives.

I ask unanimous consent that those directions of the 1964 report be printed at this point in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

**TITLE II—CREDIT AGENCIES**

**Rural Electrification Administration  
Electrification Loan Program**

The success of the rural electrification program in bringing electricity to the farms and rural areas has been an outstanding development in the past quarter century. It has benefited both the rural and urban segments of the national economy. The electrification of rural areas brought to rural residents the advantages of modern living which city people had long enjoyed. Power-type equipment operated on farms has opened a vast market in manufacturing and commerce. Nonfarm employment opportunities have expanded. The rapid growth in the economy has in large part developed from the contribution that REA-financed electrification loans has brought to the rural areas.

During the course of the hearings this year, the committee has presented to it, as it has in the past, widely divergent views with respect to REA loans for generation and transmission facilities.

As previously stated, this committee believes that both the rural electric cooperatives and the private power companies who furnish most of the supply of energy needed to serve the electric cooperatives are here to stay and they should make every effort to enter into earnest negotiations in reaching power supply contracts because it is to the mutual advantage of the cooperatives and the private companies to enter into satisfactory power supply arrangements.

The committee recognizes that the House recommended a new procedure for REA after hearing the differing points of view surrounding the loans made by the Rural Electrification Administration for generation and transmission purposes.

This committee concurs with the recommendations set forth in the House committee report, to wit:

Before public funds are loaned for power generation or transmission, the Rural Electrification Administrator, in connection with any such loan, should:

- (1) Make a survey and determine wherein the existing contract for power or the proposed contract is unreasonable;



(2) Advise the supplier wherein such contract is unreasonable; and

(3) Attempt to get such contract modified to make it reasonable.

Loans should be made only when reasonable contracts cannot be obtained.

With regard to any further generation and major transmission loan approved in excess of \$2 million, the Administrator shall certify to the Secretary of Agriculture, the Comptroller General, and the Congress, that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The Administrator also shall furnish the Comptroller General and the Congress on the date of approval of each such loan application, the following information:

(1) The name and address of the applicant borrower and the date of the application.

(2) Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

(3) Description and estimated cost of proposed transmission facilities, including any immediate or future plans to interconnect with other transmission systems.

(4) Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

(5) Comparison of the estimated costs of generation by the applicant borrower with the cost of power available from existing suppliers, including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs.

(6) Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

(7) Explanation of the applicant's reasons for seeking an REA loan.

(8) The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

(9) Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

(10) Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

(11) Names of State agencies and commissions having jurisdiction over the applicant borrowers.

With respect to each generation and transmission loan application, processed by REA in accordance with the foregoing procedures, the Administrator should, in order to avoid dilatory tactics or protracted delays on the part of either party in such negotiations, establish a publicly announced period of time during which the survey, determinations, and negotiations will be carried on prior to a definite cutoff date set by the Administrator.

Mr. YARBOROUGH. Mr. President, due to a report by the General Accounting Office on a loan to the Brazos Electric Cooperative in Waco, Tex., some controversy has arisen over what types of loans Congress intended should be covered by the instructions. I consider the GAO report to be thoroughly inaccurate in its interpretation of congressional in-

tent. The GAO report gave an unreasonable interpretation to the language of the directions.

In an effort to make clear the intent of Congress, the committee has included language in this year's report to clarify the situation.

I ask unanimous consent that the language of the agriculture appropriation report filed with the Senate July 12, 1966, be printed at this point in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

The directions of the Committee Report accompanying the Fiscal Year 1964 Agriculture Department Appropriations Bill (No. 497) require that, before approving loans for generation and major transmission, the REA Administrator take certain steps to evaluate existing or proposed contracts by which private companies supply or offer to supply wholesale service to REA-financed cooperatives.

The directions were intended to apply only to applications for initial loans for generation and major transmission to cooperatives where the facilities to be constructed would displace existing contractual arrangements with private power companies. The Committee did not intend the directions to require solicitation of offers from private power companies in the case of subsequent loans to federated G & T cooperatives.

Further, the directions were not intended to apply to any loan application which had been approved by the Administrator prior to the adoption of the directions, or to any reasonable addition to such loan. The Committee affirms this position and directs the Administrator to proceed without considering the directions as applicable as to any such loan and reasonable additions thereto.

Mr. YARBOROUGH. Mr. President, this bill reported from the Senate Appropriations Committee is a great improvement over the administration request and a further improvement over the House bill, which restored many of the cuts in the budget request.

The budget called for cutting many of the most worthwhile programs of the Agriculture Department. All have been either partially or fully restored.

The special milk program has been restored to \$105 million, an increase of \$84 million over the budget request, and an increase of \$2 million over the House-passed bill. I would have preferred \$108 million, to allow for growth in the number of children being served under the program, but I am happy that we were able to get as close to that figure as we did.

The school lunch program has been restored to \$167 million, \$29 million over the budget request and \$10 million over the House.

The committee recommends \$2,500,000 for the Rural Community Development Service, which will offer new hope to rural areas. The House had recommended only \$637,000.

The budget called for cutting the appropriation for the Agricultural Research Service to \$204,728,000 a cut of over \$20 million from the 1966 figure. The House restored this to \$227,437,000 and the Senate has provided further restorations to bring this figure to \$238,342,800.

The committee has recommended additional amounts above the budget re-

quest for construction and modernization of research facilities which were authorized by Congress last year. I am happy that among these is an appropriation of \$325,000 for a much needed soil and water research facility at Bushland, Tex.

The committee also recommended, very wisely, I feel, that certain research which the Department had slated for extinction, be continued. Among these is a facility for research on sandy soils at Big Springs, Tex. The work being done there is very important for the Great Plains. I strongly urge its continuation. I ask unanimous consent to insert in the RECORD at this point a letter from Jack Buchanan, chairman of the board of supervisors, Martin-Howard Soil Conservation District, dated March 14, 1966, telling of the need for more research on sandy soils.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARTIN-HOWARD SOIL  
CONSERVATION DISTRICT,  
Stanton, Tex., March 14, 1966.

Hon. RALPH YARBOROUGH,  
U.S. Senate, Senate Office Building,  
Washington, D.C.

DEAR SENATOR YARBOROUGH: I am writing you concerning a very important problem. As you know, there is a proposal to close the USDA Big Spring Experiment Station on July 1, 1966. We feel this should not be done and hope you will support our efforts.

If this station is closed, within the next five years there will be a desperate need for additional research on sandy soils. Why close this station only to open another in the near future at considerable expense? We feel that the station should be continued, and should be enlarged to the status of a Regional Research Center.

The enclosed "Needs for Conservation Research for Sandylands in the Southern Plains", briefly states the problem and the estimated minimum funds required to carry out present and future research.

We are very concerned that there will not be any further research done on farming land under dryland conditions on sandy soils in the Great Plains States. This is the only USDA Station on sandy soils where they own the land in the Southern Plains States. You can get a clearer picture of the area in question from the enclosed map. This map is also located on page 3 of the brochure sent you in 1962 entitled "Conservation Research for the Edwards Plateau and the Sandy Lands of the Southern Plains" published by the Research Advisory Committee.

The water experts on the High Plains have estimated that irrigation water for that area will be depleted in about 60 years. We feel there will be a continuing need for further conservation research in this area. Why not go ahead and do the research needed now, because if we wait until research is needed, we will be behind. Wind erosion and limited rainfall are serious problems and will require a long range program.

Would you please ask the Secretary of Agriculture this question, "If we are to continue the research at the Big Spring Experiment Station, at what level should this research be funded for an adequate program to meet the needs of this area"? We would like to know why research on moisture conservation is being closed out at Big Spring when this is the only hope we have of improving the stability of agriculture in this area? Other agriculture regions are receiving new research help on their problems and we need help on wind erosion and moisture conservation.



We appreciate your concern for the future of agriculture in this area and will be looking forward to hearing from you.

Sincerely yours,

JACK BUCHANAN,  
Chairman, Board of Supervisors.

Enclosure.

CONSERVATION RESEARCH FOR SANDYLANDS IN  
THE SOUTHERN PLAINS, BIG SPRING FIELD  
STATION, BIG SPRING, TEX.

Sandylands represent the hard core of conservation problems in the Southern Plains. These sandy soils are subject to severe blowing and wind erosion and every now and then give rise to tremendous red dust clouds that move across the United States and "fall out" on cities of the East with resulting cries of pollution from the dust and pesticides from farms in West Texas.

The Great Plains Conservation Program and other programs that the USDA use in assisting Soil and Water Conservation Districts have direct bearing on problems of sandylands. It is believed that better technology and conservation practices are needed to make these programs more effective, and that conservation research should be strengthened on these sandylands. This research should be on three broad conservation problems: Wind erosion, moisture conservation, and grassland management.

There are approximately 40 million acres of sandy soils in the Southern Plains, representing some of the most productive land in the Great Plains. Moisture conservation and wind erosion control are major problems in managing and conserving these soils. This is the only field station in the Southern Plains that SWC-ARS-USDA has for soil and water conservation research on sandy soils. Also, it is strategically located for research on conservation problems in 4 land resource areas: Southern High Plains; Rolling Red Plains, Southern Desertic Basins, Plains and Mountains; and Edwards Plateau.

Objectives of the research are to: (1) Develop basic knowledge and understanding of physical processes involved in moisture conservation and efficient use by plants growing on sandy soils; (2) develop improved practices for minimizing soil blowing through tillage, soil amendments, and cropping systems; and (3) develop better techniques and procedures for growing grass and maintaining cover on permanent grasslands.

Mr. YARBOROUGH. Mr. President, the committee recommends \$234,105,000 for the Soil Conservation Service, an increase of \$5,789,000 over the budget estimate. The budget called for a reduction of \$3.6 million in soil surveys. The House restored \$2 million and the Senate concurred with the House. I feel it would have been wise to restore the full amount.

Also under SCS, the House cut \$1 billion from the budget request for river basin surveys. The Senate concurred. I feel that a restoration of the House cut would have been justified.

All in all, Mr. President, in view of the budgetary restrictions under which we operate this year, this is a good bill. The onerous Budget Bureau cuts have been restored. I hope that next year we shall be in a position in which we can do a much better job and provide more needed funds for the various activities of the U.S. Department of Agriculture, which so greatly aid the American farmer in making agriculture the most efficient sector of production in all the American economy. The leadership of the Agriculture Appropriations subcommittee under the guidance of the senior Sena-

tor from Florida [Mr. HOLLAND] and the senior Senator from North Dakota [Mr. YOUNG] has done yeomen's work in restoring unwise cuts made in very vital agricultural programs.

Mr. SALTONSTALL. I yield 1 minute to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, agriculture has always been an important concern to Americans. From the apple orchards of New England to the wheat fields of Iowa, farmers have contributed to the American way of life.

But just because farmers always have been and always will be a vital part of America's life and economy, we do not have to have a farm program based more on tradition than on present realities and necessities. Today we need an agriculture program suited to the needs of the growing, dynamic economy of modern America.

The bill before us today is centered around an approach geared to the farm problems of the depression years—the needs of the thirties, not the sixties. Instead of anticipating the future directions and requirements of American agriculture, this bill continues the expensive dike-plugging operation which has characterized recent Federal agricultural programs.

Each year the cost of the stabilization programs has risen. Since 1955, the cost has multiplied almost 10 times. This bill asks for \$670 million more than last year's appropriation.

I recognize the problems of agriculture. But I feel that we must begin to fight our way out of the morass the Federal agricultural program has become. We must take a more rational and long-sighted approach than that embodied in the proposed bill.

Mr. HOLLAND. Mr. President, I yield 1 minute to the Senator from Alaska.

Mr. BARTLETT. Mr. President, in January of this year, when the 1967 fiscal year budget message was submitted to Congress, Alaskans were faced with the elimination of agricultural research in their State. The Department of Agriculture which operates the Alaska Agricultural Experiment Station at Palmer, Alaska, had cut all funds for its continuation from the budget. The Palmer Experiment Station is the only agricultural experiment station in any of the 50 States operated directly by the Department. Assumption of responsibility for the Palmer Experiment Station had originated with the Department in the late 1940's over the vigorous protests of Alaskans. Because Alaska was then a territory and not a State, Alaskans were unable to prevent this taking of administrative authority by the Department of Agriculture. And it was without warning that in January we learned that the Department of Agriculture had decided to abandon its responsibilities.

Alaska is not a great agricultural State. Alaskans make no such claims. There is, however, considerable agricultural potential which should and must be developed, and it can only be developed by an orderly and sustained research program as its foundation.

Fortunately, first the House of Representatives and now the Senate com-

mittee have agreed that research in Alaska must be continued. Funds for the Palmer Experiment Station have been restored.

I am deeply appreciative of this, as are all Alaskans concerned with the development of our State's agricultural potential. I am especially appreciative of the cooperation and understanding given us by my good friend, Senator HOLLAND. This year, as in the years past, he has shown a rare understanding of Alaska's problems and the work which must be done to overcome them.

It is our hope that this year will see the return of responsibility for operation of the Alaska Agricultural Experiment Station to Alaska, so that it can be operated in the same way as are experiment stations in all of the other States. The Alaska State Legislature during its 1966 session adopted a resolution requesting transfer of the station to the University of Alaska. I have introduced S. 3421 to accomplish this purpose and it is my hope that action can be taken on the bill this year so that an orderly transfer of authority and responsibility can be had.

In the meantime, the Alaska Agricultural Experiment Station will be able to continue its valuable work.

Alaskans are grateful and I take this opportunity to offer their thanks.

Mr. HOLLAND. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the \$7 billion agricultural appropriations bill before us has my unqualified support.

It is in the first instance a tribute to the leadership and foresight of the distinguished Senior Senator from Florida [Mr. HOLLAND], the capable chairman of the Senate Agricultural Appropriations Subcommittee. I consider it a special privilege to serve under his direction.

It is also a privilege to work with the distinguished Senior Senator from North Dakota [Mr. YOUNG], the ranking Republican member.

These two leaders work closely as a team serving the best interests of the farmer and the entire Nation. A true spirit of bipartisanship prevails at all times.

The subcommittee's printed hearings reveal the thoroughgoing manner in which it approaches its task. In some subcommittees of the Senate Appropriations Committee, testimony is confined to departmental appeals on House actions. Not so with the Agricultural Subcommittee. Program justifications are carefully examined in each instance and a solid foundation is consistently laid for subcommittee decisions.

Another outstanding feature of this subcommittee is the competence of its professional staff. The chief clerk, Raymond L. Schafer, performs his duties with efficiency and dispatch. He has more than a decade of experience in his present position and a lifelong background in agriculture. His tenure speaks well of the confidence and trust placed in him.

The chief clerk is ably assisted by Joseph Stewart and the minority professional staff member, Mr. Edmund T. King. Again, at the staff level, there is full cooperation which is built on not



only a congenial relationship but mutual confidence and respect.

Mr. President, the bill before the Senate today contains a near unanimous bipartisan effort—a victory if you will—to overturn a determined attempt by the Johnson administration and its Secretary of Agriculture to make deep cuts in popular and proven farm programs so as to free funds for other activities. Many of the activities which were assigned higher priority are new and experimental innovations of the Great Society.

In his budget estimates sent to the Congress last January, the President requested a wide variety of drastic slashes in the agricultural budget. Included was an \$82 million cut for the special milk program—which the Senate has just extended and authorized to be expanded this week—a \$19 million cut for the school lunch program; a \$120 million cut for advance authorizations for the agricultural conservation program; a \$20 million cut for agricultural research; a \$145 million cut for REA electrification loans and many others.

Some of these reductions were instigated by the Secretary of Agriculture such as the \$82 million cut for special milk; others came from the Bureau of the Budget.

The following table gives a detailed accounting of the proposed cuts and reflects the House and Senate committee action in response.

Mr. President, I ask unanimous consent that the table be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table of major items showing comparisons between appropriations for fiscal year 1966, estimates for 1967, House action and Senate committee recommendations

Agency or item	Appropriations and loan authorizations, 1966	Johnson administration budget proposal, 1967	House bill, 1967	Amounts recommended by Senate committee
Agricultural Research Service:				
Salaries and expenses:				
Research.....	\$125,959,000	\$107,980,000	\$120,673,000	\$123,844,600
Total funds available, research.....	146,059,000	134,980,000	147,673,000	150,844,600
Plant and animal disease and pest control.....	75,547,000	69,748,000	76,764,000	81,498,200
Total funds available, Agricultural Research Service <sup>1</sup> .....	224,606,000	204,728,000	227,437,000	238,342,800
Cooperative State Research Service:				
Payments and expenses:				
Payments to agricultural experiment stations.....	48,113,000	39,613,000	48,113,000	53,113,000
Total, Cooperative State Research Service <sup>1</sup> .....	54,827,000	47,740,000	55,227,000	60,740,000
Extension Service:				
Cooperative extension work, payments and expenses:				
Payments to States and Puerto Rico.....	75,536,000	75,917,500	75,917,500	78,917,500
(NOTE.—A redirection from formula to nonformula funds of \$9,600,000 proposed in the budget was denied by the House and the Senate committee.)				
Total, Extension Service <sup>1</sup> .....	89,135,000	90,224,000	89,824,000	92,824,000
Soil Conservation Service:				
Conservation operations.....	108,802,000	109,020,000	109,235,000	109,235,000
Watershed planning.....	5,853,000	6,397,000	6,142,000	6,142,000
Watershed protection.....	66,331,000	66,559,000	67,020,000	70,000,000
Great Plains conservation program.....	16,082,000	16,112,000	16,112,000	18,500,000
Total, Soil Conservation Service <sup>1</sup> .....	226,986,000	228,316,000	228,510,000	234,105,000
Consumer and Marketing Service:				
Total available, school lunch program.....	202,000,000	183,000,000	202,000,000	212,000,000
Total available, special milk program.....	103,000,000	21,000,000	103,000,000	105,000,000
Agricultural Stabilization and Conservation Service: Advance program authorization.....	(220,000,000)	(100,000,000)	(220,000,000)	(220,000,000)
Rural Electrification Administration:				
Electrification loans.....	(365,000,000)	(220,000,000)	(365,000,000)	(375,000,000)
Telephone loans.....	(97,000,000)	(85,000,000)	(97,000,000)	(117,000,000)
Total appropriations in bill <sup>2</sup> .....	6,381,448,500	7,022,638,000	6,876,027,000	7,051,543,300

<sup>1</sup> Agency totals also include other items not listed.

<sup>2</sup> Total appropriations bill includes other items not listed.

Mr. HRUSKA. Mr. President, this Senator does not wish to belabor the point. It is sufficient to state—as the table fully indicates—that the administration has suffered a stinging rebuke for its ill-advised attempts to cut back on proven agricultural programs.

Mr. President, I strongly urge adoption of H.R. 14596 as reported from the committee.

Mr. HOLLAND. I yield 1 minute to the Senator from Kentucky.

Mr. MORTON. Mr. President, owing to a longstanding engagement in Lexington, Ky., where he is the principal speaker at the annual meeting of the Tobacco Farmers Advisory Council, my colleague from Kentucky, Senator COOPER, could not be here today. Because of the airline strike he had to leave last night to meet this commitment.

Senator COOPER, who has been a member of the Agriculture Committee for 6 years, has supported the farmer during

his entire service in the Senate. He had prepared a statement in support of H.R. 14596, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT OF SENATOR COOPER

The bill to provide appropriations for the farm programs is one which affects every farmer in the nation, as well as consumers, school children and others who benefit from the programs of the Department of Agriculture. We are grateful to Senator HOLLAND, Senator YOUNG and the members of the subcommittee for their constructive consideration of the agricultural appropriations bill every year.

First, I want to say that I am glad the Committee has recommended \$105 million for the special milk program. The Committee has also recommended \$167 million for the National School Lunch Act, a very important program which the Administration's budget greatly reduced.

Two days ago, the Senate passed S. 3467,

to amend the school lunch act, which I supported. During the debate, I pointed out the importance of Section 11 of that Act, funded for the first time last year although authorization was provided in 1962. So I want to support Senator HART's amendment to appropriate \$6.5 million for special assistance.

During the hearings of the Senate Agriculture Committee on S. 3467, Secretary Freeman pointed out that a Federal appropriation of \$26 million would provide lunches to the 1½ million school children who do not now receive them. It seems to me that meeting this gap is a clear priority.

I support also the amendment of the Senator from New Mexico [Mr. MONTANA] to provide \$150 million for the food stamp program, which the Senate Committee has reduced by \$25 million in section 32 funds. I understand that Kentucky plans to extend the program to the remaining Appalachian counties this fiscal year with its allocation under the \$150 million budget request.

When I presented my statement to the Senate Appropriations Committee earlier this year, I urged funds for the Soil Conservation Service, particularly to restore to



last year's level funds for soil surveys. Although under last year's level, I am glad to see that the Committee has concurred in restoration of at least \$2 million. The Committee has approved, as passed by the House, \$750,000 for technical assistance in Appalachia. Mr. Sam McElroy, President of the Kentucky Association of Soil and Water Conservation Districts, tells me that an additional \$667,000, as requested in the budget, will be needed to provide technical assistance in the land stabilization and conservation projects, and to provide additional technical assistance to soil conservation districts that do not have these projects. I am concerned also that the Committee has limited to 60 the number of watershed planning starts, which the House had increased to 100.

For the Appalachian Region Conservation Program, the Committee recommended \$3 million, with a reappropriation of \$1,375,000 in unused funds. I am glad that the Committee has recommended an increase of \$227,000 over the House amount for Resource Conservation and Development, as Kentucky is just beginning to get its Tradewater River Resource Conservation and Development Project underway.

As a member of the Senate Agriculture Committee, the principal Senate cosponsor of the REA supplemental financing bill, and one who has supported the REA during my entire service in the Senate, I am glad to note that the Committee has stricken from the bill the provision setting aside in a contingency reserve a portion of the funds approved for the rural electric and rural telephone programs. Funding the programs at last year's level is a great improvement over the drastic reduction ordered this year by the Bureau of the Budget.

I am glad that the Committee has recommended \$2.5 million for the Rural Community Development Service, noting the importance of its coordinating function. Rural community development has been the most hopeful approach to the problems of rural America for at least ten years. I remember, under the Eisenhower Administration, when the first pilot counties were designated in Kentucky as Rural Development counties, and that one of the first acts of the Kennedy Administration was to expand the concept to the entire country. It has been clear for some time that better program coordination is needed, and nearly all who are concerned about the future of rural America urge that counties and communities join in planning for the better utilization of all programs. More recently, the Department of Agriculture established the Rural Community Development Service, but it was poorly funded last year. I think it is time, after all this talk, that a reasonable amount of funds be provided to give this approach a chance to work.

I had been concerned about the budget reduction of \$8 million under the Hatch Act which would affect every land grant institution in the country, and result in a \$229,140 reduction in Kentucky, and am glad that the Senate Committee has increased these funds even above the House figure. The land-grant colleges train the scientists who solve our agricultural problems and do the research which has made the American farmer the most productive in the world. I am glad also that the Committee has increased by \$3 million over the House amount funds for the Extension Service, for I have supported the educational programs of county agents, and home demonstration agents during my entire service in the Senate.

I commend the Committee for its attention to the farm programs which are of true value to the county, and am glad to support the bill.

Mr. HOLLAND. I yield back the remainder of my time.

Mr. SALTONSTALL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], and the Senator from Minnesota [Mr. MCCARTHY], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Washington [Mr. JACKSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE], are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. BASS], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. COOPER], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Michigan [Mr. GRIFFIN], and the Senator from Texas [Mr. TOWER], are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from New York [Mr. JAVITS], are detained on official business.

If present and voting, the Senator from Kentucky [Mr. COOPER], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Illinois [Mr. DIRKSEN], the Senator from Michigan [Mr. GRIFFIN], the Senator from New York [Mr. JAVITS], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER], would each vote "yea."

The result was announced—yeas 77, nays 2, as follows:

[No. 140 Leg.]

YEAS—77

Aiken	Boggs	Case
Allott	Burdick	Church
Bartlett	Byrd, Va.	Cotton
Bayh	Byrd, W. Va.	Dominick
Bennett	Cannon	Douglas
Bible	Carlson	Eastland

Ellender	Long, La.	Pell
Ervin	Mansfield	Prouty
Fannin	McClellan	Proxmire
Fong	McGovern	Randolph
Fulbright	McIntyre	Robertson
Harris	Metcalf	Russell, S.C.
Hart	Miller	Russell, Ga.
Hartke	Mondale	Saltonstall
Hayden	Monroney	Simpson
Hickenlooper	Montoya	Smith
Hill	Morse	Stennis
Holland	Morton	Symington
Inouye	Moss	Thurmond
Jordan, N.C.	Mundt	Tydings
Jordan, Idaho	Murphy	Williams, N.J.
Kennedy, Mass.	Muskie	Williams, Del.
Kennedy, N.Y.	Nelson	Yarborough
Kuchel	Neuberger	Young, N. Dak.
Lausche	Pastore	Young, Ohio
Long, Mo.	Pearson	

NAYS—2

Brewster

Ribicoff

NOT VOTING—21

Anderson	Gore	McCarthy
Bass	Griffin	McGee
Clark	Gruening	Scott
Cooper	Hruska	Smathers
Curtis	Jackson	Sparkman
Dirksen	Javits	Talmadge
Dodd	Magnuson	Tower

So the bill (H.R. 14596) was passed.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. RUSSELL of Georgia, Mr. ELLENDER, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, with his typically competent diligence and effective advocacy, the senior Senator from Florida [Mr. HOLLAND] has again led the Agriculture appropriation measure to swift and overwhelming Senate approval. We are always grateful for the highly efficient and able manner applied to all legislation which he handles.

But such an outstanding victory could not have been obtained without the equally capable cooperative leadership of the Senator from North Dakota [Mr. YOUNG], the ranking minority member of the Agriculture Appropriations Subcommittee. To Senator YOUNG goes our sincere thanks for his splendid joint support.

This great success may also be attributed to the outstanding support of the senior Senator from Rhode Island [Mr. PASTORE], whose articulate advocacy assured prompt Senate action. And to the Senators from New Mexico [Mr. MONTROYA] and Michigan [Mr. HART] goes further commendation for joining with their characteristic highly cooperative efforts to make orderly disposition a certainty. The same may be said of the senior Senator from Maryland [Mr. BREWSTER], who urged his own strong and sincere views on this measure but who nevertheless did not seek to impede its disposition.

And to the many other Senators who joined in supporting this measure today



we extend our sincere gratitude for the assistance which was so indispensable to its passage.

#### AMERICAN PRISONERS IN HANOI— A PLEA FOR SANITY

Mr. CHURCH. Mr. President, I have been gravely disturbed at persistent reports that the government in Hanoi has threatened to execute, as common criminals, American airmen who are now prisoners of war.

Accordingly, I have prepared a statement, "A Plea for Sanity," in which I am joined by 18 other Members of the Senate.

This declaration has been just released to the press, and I shall, at this time, read it into the RECORD.

##### A PLEA FOR SANITY

We, the undersigned, have previously protested the relentless escalation of the war in Vietnam. We have deplored those decisions, taken on both sides, which have steadily extended the dimensions of the war and intensified its fury.

The struggle in Vietnam now approaches a peril point of no return. Violence begets more violence; the fever of reprisal rises, feeding upon itself; reason is in danger of falling prisoner to blind passion. Then the war becomes a raging inferno, burning away the last barriers of restraint.

We apprehend that the execution of American prisoners, as threatened by the government of North Vietnam, would provoke the gravest reprisals, and further blacken the hope for peace.

In the past, we have worked for an honorable settlement of this tragic war. We have publicly criticized the mounting involvement of our own country, and have sought to keep open the path of moderation that could lead to a negotiated peace.

So, before the last remnants of reason are irrevocably abandoned, we call upon the Hanoi government to refrain from any act of vengeance against the American airmen. They are prisoners of war, fully entitled to the protection extended to men in uniform when captured in the performance of their duty. Their execution would drastically reduce the influence of all those in the United States who have tried to curtail the fighting. It would incite a public demand for retaliation swift and sure, inflicting new levels of suffering and sorrow, and fixing more firmly still the seal of an implacable war.

FRANK CHURCH, GEORGE MCGOVERN,  
GAYLORD NELSON, E. L. BARTLETT, LEE  
METCALF, EUGENE J. MCCARTHY,  
MAURINE B. NEUBERGER, J. WILLIAM  
FULBRIGHT, QUENTIN N. BURDICK,  
FRANK E. MOSS, ERNEST GRUENING,  
STEPHEN M. YOUNG, VANCE HARTKE,  
WAYNE MORSE, WILLIAM PROXMIRE,  
ABRAHAM RIBICOFF, JOSEPH S. CLARK,  
HARRISON A. WILLIAMS, JR., EDMUND S.  
MUSKIE, U.S. Senators.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY of Massachusetts. As the Senator is probably aware, yesterday morning the Subcommittee on Refugees and Escapees, which is conducting a series of hearings on the various refugee programs, heard testimony by the Secretary of State.

In the course of that hearing I asked the Secretary of State directly what the attitude of the U.S. Government would be if these trials scheduled for the end

of next week took place. The Secretary made an extremely forthright, strong, and vigorous policy statement. He indicated, first of all, that if these trials took place, that we, as a nation, would look upon such behavior by the North Vietnamese with the greatest degree of horror and revulsion. The Secretary stated that every effort was being made by the United States, by third countries, as well as by prominent individuals, to bring our very strong position on this matter to the attention of those in responsible positions in the Hanoi government. I was very much heartened by the Secretary's statement. I am sure that he is aware that we are all relying upon the administration's activities on this problem and hopeful that they will spare no effort to assist the prisoners.

Mr. President, the war in Vietnam is perhaps one of the most impersonal of conflicts undertaken by nations. I have had serious questions in the past concerning our activities in Vietnam and its effects upon the civilian population. On the other hand I have been appalled by the incidents of terror and assassination that the Vietcong have used to achieve their ends in this struggle. The possibility that prisoners of war will now be used to satisfy the frustrations of the north or in a vain attempt to effect our future military decisions is only a further reflection of the absence of considerations for the innocent and those now removed from this conflict. But this prospect of violence against helpless men, in violation of all traditional international agreements, is uppermost in the minds of all Americans today, regardless of their views of the overall conflict. I know of two American fighting men from my own State, Comdr. James Mulligan and Lt. Edward Brudno who, having faced and met their military obligations now find themselves the victims of retaliation in the larger political and ideological struggle of our day.

So I wish to join the Senator from Idaho [Mr. CHURCH] in his very strong declaration and statement of concern for the welfare and the well-being of the American servicemen who are being held as prisoners.

During the testimony by the Secretary of State we asked him about the South Vietnamese Government's observing the Geneva agreements on prisoners of war. He indicated that the names of prisoners in the hands of the South Vietnamese are now being turned over to the International Red Cross, that the Red Cross has access to all prisoners, and that the South Vietnamese Government is now in full cooperation with the International Red Cross.

I recall that on two occasions when I was in Geneva talking with the International Red Cross, they were, as of December of last year, expressing criticism of the South Vietnamese Government for their reluctance in turning over the names of the Vietcong and North Vietnamese prisoners that the South Vietnamese had taken. These lists were not available and the Red Cross indicated to me and the other members of the delegation who were at Geneva at that time their strong feeling that the United

States should utilize its good offices with the South Vietnamese to have the South Vietnamese observe to the fullest extent the Geneva Convention.

The Secretary indicated on yesterday that he was firmly convinced that we are now observing these conventions in the fullest. This development, though late in coming is a source of satisfaction to those of us who have been concerned with prisoner indignities.

I also feel that the people of the free world have recognized the very strong effort recently made by the United States in attempting to insure that all in the south were respecting these Geneva agreements. On his basis, we have every right to expect the north to act in accordance with the norms of civilized men. So little of human dignity survives war that we are justified in abhorring such regressive actions as contemplated by the north and to remind them that the beginnings of peace are found in civilized behavior toward their fellow man. I therefore want to say to the Senator from Idaho that he has performed a very useful service today, one for which he deserves great commendation.

Mr. CHURCH. I thank the Senator very much.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield to the Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, this afternoon, in this Chamber, let me attest to my admiration for the distinguished Senator from Idaho [Mr. CHURCH] for the real public service he has rendered in presenting his statement today before the country and the world.

Earlier today, I was glad to be associated with him when he and I talked over the statement he was going to make.

Surely, the heads of state of the nations of the world, including those in Hanoi, Red China, and all other Asiatic countries, whether they be somewhat neutral in this matter or extremely hostile toward the United States because of its involvement in Vietnam, must know—and they should know—that all Americans regard the lives of their airmen who are now prisoners of war as precious lives. All Americans hold to the view that these airmen are prisoners of war. As fighting men in our Armed Forces, they were flying over the areas where they were shot down in North Vietnam pursuant to orders given them. They must, therefore, be treated as prisoners of war.

If the horrible act which is being threatened by the Hanoi regime against our airmen is carried out, let the rulers of the world know that all Americans will be united, because we regard those lives as so precious.

Let me repeat, I was glad to join with other colleagues in the statement of the Senator from Idaho. We want the rulers of the world over—friendly or unfriendly—to know our views and our determination.

Mr. CHURCH. I thank the Senator from Ohio, and fully share his sentiments. I appreciate the fact that he has joined in signing the statement



which I have just read into the RECORD this afternoon.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I commend the Senator from Idaho for the initiative he has just shown, and the initiative the other Senators have shown in signing the plea for sanity.

I would say that the sentiments expressed in the statement which has just been read would apply not only to the 18 signatories but also to the 100 Members of this body.

The Senator from Idaho as once more performed a public service on the question of Vietnam. I would express the hope that this plea for sanity would be a plea for sanity on all sides.

As Senators know, the Prime Minister of India, Mrs. Indira Gandhi, is just completing an official state visit to the Soviet Union. She will be leaving shortly, but during the course of this meeting she has placed before Messrs. Kosygin and Brezhnev the possibility of a seven-point peace program which could possibly lead to the negotiation table.

Mr. President, in connection with her seven-point program, I ask unanimous consent to have printed in the RECORD an article entitled "Mrs. Gandhi May Stir Viet Peace Drive," written by David Van Praagh, and published in the Evening Star of July 14, 1966.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**MRS. GANDHI MAY STIR VIET PEACE DRIVE**  
(By David Van Praagh)

NEW DELHI.—If Prime Minister Indira Gandhi stays on in Moscow for a few days after the scheduled arrival of British Prime Minister Harold Wilson on Saturday, her plan for peace in Viet Nam may be a basis for a wider peace offensive.

This is the feeling in diplomatic circles here following Mrs. Gandhi's outline of what amounted to a seven-point peace plan a few minutes before she left for the Soviet Union via the United Arab Republic and Yugoslavia July 7.

She is due to leave Moscow for home Saturday, a few hours before Wilson's arrival. But if the three-power talks on Viet Nam take place instead, it will mean that the co-chairmen of the Geneva conference—the Soviet Union and Britain—and the chairman of the International Control Commissions in Viet Nam, Laos and Cambodia—India—are putting their heads together.

**SEVEN POINTS GIVEN**

There is nothing particularly new about Mrs. Gandhi's almost casually expressed plan. But diplomats here reason that its timing and the order of its points—and India's reiteration after one year of its willingness to take part in stronger peacekeeping arrangements in Indochina—give it potential in the wake of extension of U.S. bombings to the outskirts of Hanoi and Haiphong.

Mrs. Gandhi's seven points are:

1. Britain and the Soviet Union should convene the 14-power Geneva conference immediately.

2. Bombing of North Viet Nam should stop immediately.

3. This should be closely followed by a cessation of hostilities as well as of hostile movements and actions on all sides through-

out Viet Nam, in full observance of the (1954) Geneva agreement.

4. While a peaceful settlement is being hammered out in what might be "weeks of tortuous negotiations," the ICC in Viet Nam should safeguard "standstill arrangements," with India accepting added responsibility in this task if necessary.

5. Withdrawal of all foreign forces from Viet Nam and insulation of the country from foreign interference so the Vietnamese people can determine their own future.

6. Guarantee by the Geneva powers of the territorial integrity and independence of not only a neutral Viet Nam but also neighboring Laos and Cambodia.

7. The Geneva powers also should undertake a rehabilitation and development plan for all three countries.

**FIRST SINCE SHASTRI**

Mrs. Gandhi's statement was the first major utterance by an Indian leader on the Viet Nam war since the late Prime Minister Lal Bahadur Shastri called for an end to U.S. bombings of North Viet Nam soon after they started in February, 1965. Shastri's reward, many believe, was the suspension of an invitation to visit the United States.

At least the first three points of Mrs. Gandhi's plan appear to observers here as acceptable to the United States, but Hanoi and Peking have insisted on the immediate withdrawal of U.S. troops, something that would come later under the Gandhi proposal.

Before withdrawal, under Mrs. Gandhi's plan, would come possibly stronger peace-keeping measures than the ICC is presently empowered to take.

This appears to be a reiteration, in a wider context, of Indian President Sarvepalli Radhakrishnan's proposal of more than a year ago for an international peacekeeping force in Viet Nam. It also appears to be an extension of talks on the same subject between Shastri and Prime Minister Lester Pearson of Canada in Ottawa in June 1965.

**HINTS AT REUNIFICATION**

The next two points of Mrs. Gandhi's plan appear here to be potentially unattractive to the United States.

This is partly because there is reason to believe that the Indian prime minister has in mind a reunified Viet Nam, after cessation of hostilities, under President Ho Chi Minh of North Viet Nam. She hinted at this in a recent birthday message to him. Nowhere in her peace plan does she mention South Viet Nam.

But if the Russians back this plan, it is reasoned here, there is no reason it would lead to a Chinese-dominated Viet Nam. Mrs. Gandhi specifies that the entire country would be "insulated" and "neutral" and its borders and independence "guaranteed" during and after self-determination, presumably by free elections.

Moreover, the last point, calling for coordinated economic aid to Viet Nam, Laos and Cambodia—all to be protected by the Geneva powers—accords with an earlier proposal by President Johnson.

Mr. MANSFIELD. Mr. President, I know that there are those who find fault with anyone who uses the word "peace," or repeats the word "negotiations." However, somehow, some way, some time, the situation in Vietnam will be settled at the conference table through negotiations. It is just not going to peter out. I would hope that in view of the proposal made by the Prime Minister of India, Mrs. Indira Gandhi, and tied in with the fact that the Prime Minister of the United Kingdom, Mr. Harold Wilson, will, next week, be visiting the Soviet Union, when Mr. Wilson and Messrs.

Kosygin and Brezhnev meet, they will recognize their responsibilities as co-chairmen of the Geneva Conventions of 1954 and 1962, and that they will exercise their authority and assume their responsibilities, and on their own initiative reconvene the Geneva Conference for the purpose of getting the situation in Vietnam to the negotiation table.

I think it is imperative. I know that so far as the President of the United States is concerned, no man is more eager to reach that table, to sit down with whoever may be there, and to arrive at a reasonable and an honorable settlement—a settlement which will give some degree of assurance to all of southeast Asia—not just Vietnam—a settlement which will be guaranteed by all the great powers, a settlement which will allow us to get out of Vietnam, not to withdraw hastily, and a settlement which will make it very apparent that we have no desire for bases such as Cam Ranh and others by means of which we could maintain a foothold for years and decades to come.

Every word I have stated, I am sure, fits in with what the President has been trying to do over this past year or more to bring this matter to a conclusion.

Accordingly, I hope that Mr. Wilson and Messrs. Brezhnev and Kosygin will take up the proposals laid down by Mrs. Indira Gandhi, Prime Minister of India, and that out of this meeting in Moscow next week will come some small ray of hope which will bring this matter to a conclusion and bring back to the world—especially to the Far East, and most especially to southeast Asia—a degree of stability and peace which it has not had for more than two decades.

So, again, I commend the distinguished Senator from Idaho and his colleagues for taking this initiative and express the hope that his efforts, which have been persistent, and accomplished under difficulties—because he has received his share of criticism—will continue.

I am delighted that this statement has been made, and again extend my commendation and thanks to him.

Mr. CHURCH. I thank the able Senator very much. I would only mention that nearly all of the Senators who have joined in the signing of this plea previously joined in a letter to the President last January, expressing the hope that the suspension of the bombing, then in effect, would be continued, and that the new round of bombing would not be renewed.

Some Senators who joined in the signing of this plea were not parties to that letter, but are nonetheless identified as Senators who have resisted the acceleration of the war, who have sought to further the efforts for peace, and who have worked to keep open the path of moderation which might lead to negotiations.

As to the threatened execution of these American prisoners of war, we hope to make it unmistakably clear that the consequences of such an atrocity will be very grave. By adding our voices in timely warning, we seek to contribute to the



89TH CONGRESS  
2D SESSION

# H. R. 14596

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IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1966

Ordered to be printed with the amendments of the Senate numbered

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## AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the Depart-  
5       ment of Agriculture and related agencies for the fiscal  
6       year ending June 30, 1967, and for other purposes; namely:



## 1 DEPARTMENT OF AGRICULTURE

## 2 TITLE I—GENERAL ACTIVITIES

## 3 AGRICULTURAL RESEARCH SERVICE

## 4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research  
6 relating to production, utilization, marketing, nutrition and  
7 consumer use, to control and eradicate pests and plant and  
8 animal diseases, and to perform related inspection, quaran-  
9 tine and regulatory work: *Provided*, That appropriations  
10 hereunder shall be available for field employment pursuant  
11 to the second sentence of section 706 (a) of the Organic  
12 Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000  
13 shall be available for employment under section 15 of the  
14 Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*,  
15 That appropriations hereunder shall be available for the  
16 operation and maintenance of aircraft and the purchase of  
17 not to exceed two for replacement only: *Provided further*,  
18 That appropriations hereunder shall be available pursuant  
19 to title 5, United States Code, section 565a, for the con-  
20 struction, alteration, and repair of buildings and improve-  
21 ments, but unless otherwise provided, the cost of construct-  
22 ing any one building (except headhouses connecting green-  
23 houses) shall not exceed \$20,000, except for six buildings  
24 to be constructed or improved at a cost not to exceed

1 \$45,000 each, and the cost of altering any one building  
 2 during the fiscal year shall not exceed \$7,500 or 7.5 per  
 3 centum of the cost of the building, whichever is greater:  
 4 *Provided further*, That the limitations on alterations con-  
 5 tained in this Act shall not apply to a total of \$100,000  
 6 for facilities at Beltsville, Maryland:

7       Research: For research and demonstrations on the pro-  
 8 duction and utilization of agricultural products; agricultural  
 9 marketing and distribution, not otherwise provided for; home  
 10 economics or nutrition and consumer use of agricultural and  
 11 associated products; and related research and services; and  
 12 for acquisition of land by donation, exchange, or purchase at  
 13 a nominal cost not to exceed \$100; ~~(1)\$120,673,000~~ \$123,-  
 14 844,600, and in addition not to exceed \$25,000,000 from  
 15 funds available under section 32 of the Act of August 24,  
 16 1935, pursuant to Public Law 88-250 shall be transferred  
 17 to and merged with this appropriation, of which ~~(2)\$10,-~~  
 18 ~~619,000~~ \$11,869,000 shall remain available until expended  
 19 for construction and improvement of facilities without regard  
 20 to limitations contained herein, and ~~(3)\$5,401,300~~ \$3,965,-  
 21 700 shall be used to continue research activities scheduled for  
 22 reduction or elimination in fiscal years 1966 and 1967:  
 23 *Provided*, That the limitations contained herein shall not  
 24 apply to replacement of buildings needed to carry out the  
 25 Act of April 24, 1948 (21 U.S.C. 113a) ~~(4)~~: *Provided*



1 *further, That none of the funds appropriated in this Act shall*  
 2 *be used to formulate a budget estimate for fiscal 1968 of more*  
 3 *than \$15,000,000 for research to be financed by transfer*  
 4 *from funds available under section 32 of the Act of August*  
 5 *24, 1935, and pursuant to Public Law 88-25;*

6       Plant and animal disease and pest control: For opera-  
 7 tions and measures, not otherwise provided for, to control  
 8 and eradicate pests and plant and animal diseases and for  
 9 carrying out assigned inspection, quarantine, and regulatory  
 10 activities, as authorized by law, including expenses pursuant  
 11 to the Act of February 28, 1947, as amended (21 U.S.C.  
 12 114b-c), ~~(5)\$76,764,000~~ \$81,498,200 of which \$1,500,000  
 13 shall be apportioned for use pursuant to section 3679 of the  
 14 Revised Statutes, as amended, for the control of outbreaks of  
 15 insects and plant diseases to the extent necessary to meet  
 16 emergency conditions: *Provided*, That no funds shall be used  
 17 to formulate or administer a brucellosis eradication program  
 18 for the current fiscal year that does not require minimum  
 19 matching by any State of at least 40 per centum ~~(6)~~: *Pro-*  
 20 *vided further, That \$100,000 of the amount appropriated by*  
 21 *this paragraph shall remain available until expended for the*  
 22 *planning of facilities without regard to limitations placed*  
 23 *herein: Provided further, That, in addition, in emergencies*  
 24 *which threaten the livestock or poultry industries of the coun-*

1 try, the Secretary may transfer from other appropriations  
2 or funds available to the agencies or corporations of  
3 the Department such sums as he may deem necessary,  
4 to be available only in such emergencies for the arrest and  
5 eradication of foot-and-mouth disease, rinderpest, contagious  
6 pleuropneumonia, or other contagious or infectious diseases  
7 of animals, or European fowl pest and similar diseases in  
8 poultry, and for expenses in accordance with the Act of  
9 February 28, 1947, as amended, and any unexpended bal-  
10 ances of funds transferred under this head in the next pre-  
11 ceding fiscal year shall be merged with such transferred  
12 amounts;

13 Special fund: To provide for additional labor, sub-  
14 professional and junior scientific help to be employed under  
15 contracts and cooperative agreements to strengthen the work  
16 at research installations in the field, not more than  
17 \$2,000,000 of the amount appropriated under this head for  
18 the previous fiscal year may be used by the Administrator  
19 of the Agricultural Research Service in departmental re-  
20 search programs in the current fiscal year, the amount so  
21 used to be transferred to and merged with the appropria-  
22 tion otherwise available under "Salaries and expenses, Re-  
23 search".



1 SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY  
2 PROGRAM)

3 For payments, in foreign currencies owed to or owned  
4 by the United States for market development research au-  
5 thorized by section 104 (a) and for agricultural and forestry  
6 research and other functions related thereto authorized by  
7 section 104 (k) of the Agricultural Trade Development and  
8 Assistance Act of 1954, as amended (7 U.S.C. 1704 (a)  
9 (k) ), to remain available until expended, ~~(7)~~\$3,000,000  
10 \$6,000,000: *Provided*, That this appropriation shall be avail-  
11 able in addition to other appropriations for these purposes,  
12 for payments in the foregoing currencies: *Provided further*,  
13 That funds appropriated herein shall be used for payments in  
14 such foreign currencies as the Department determines are  
15 needed and can be used most effectively to carry out the pur-  
16 poses of this paragraph: *Provided further*, That not to exceed  
17 \$25,000 of this appropriation shall be available for payments  
18 in foreign currencies for expenses of employment pursuant  
19 to the second sentence of section 706 (a) of the Organic  
20 Act of 1944 (5 U.S.C. 574), as amended by section 15 of  
21 the Act of August 2, 1946 (5 U.S.C. 55a).

22 COOPERATIVE STATE RESEARCH SERVICE

23 PAYMENTS AND EXPENSES

24 For payments to agricultural experiment stations, for  
25 grants for cooperative forestry and other research, for facil-

ities, and for other expenses, including ~~(8)\$48,443,000~~ \$53,-  
 113,000, to carry into effect the provisions of the Hatch Act,  
 approved March 2, 1887, as amended by the Act approved  
 August 11, 1955 (7 U.S.C. 361a-361i), including admin-  
 istration by the United States Department of Agriculture;  
~~(9)\$2,500,000~~ \$3,000,000 for grants for cooperative forestry  
 research under the Act approved October 10, 1962 (16  
 U.S.C. 582a-582a-7) ; \$2,000,000 in addition to funds  
 otherwise available for contracts and grants for scientific  
 research under the Act of August 4, 1965 (79 Stat. 431) ;  
 \$2,000,000 for grants for facilities under the Act approved  
 July 22, 1963 (77 Stat. 90) ; \$310,000 for penalty mail  
 costs of agricultural experiment stations under section 6  
 of the Hatch Act of 1887, as amended; and ~~(10)\$304,000~~  
 \$317,000 for necessary expenses of the Cooperative State  
 Research Service, including administration of payments to  
 State agricultural experiment stations, funds for employ-  
 ment pursuant to the second sentence of section 706 (a)  
 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
 exceed \$50,000 for employment under section 15 of the Act  
 of August 2, 1946 (5 U.S.C. 55a) ; in all, ~~(11)\$55,227,000~~  
 \$60,740,000.



## EXTENSION SERVICE

### COOPERATIVE EXTENSION WORK, PAYMENTS AND

### EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), to be distributed under sections 3 (b) and 3 (c) of the Act, ~~(12)\$74,347,500~~ \$77,347,500 ~~(13)~~ (except \$2,800,000 which may be distributed under section 3(d) of the Act); and payments and contracts for such work under section 204 (b) -205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, ~~(14)\$75,917,500~~ \$78,917,500: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$8,139,500.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

1 Federal Extension Service: For administration of the  
 2 Smith-Lever Act, as amended by the Act of June 26, 1953,  
 3 the Act of August 11, 1955, and the Act of October 5, 1962  
 4 (7 U.S.C. 341-349), and extension aspects of the Agricul-  
 5 tural Marketing Act of 1946 (7 U.S.C. 1621-1627), and  
 6 to coordinate and provide program leadership for the exten-  
 7 sion work of the Department and the several States and  
 8 insular possessions, \$2,654,000.

#### 9 FARMER COOPERATIVE SERVICE

##### 10 SALARIES AND EXPENSES

11 For necessary expenses to carry out the Act of July 2,  
 12 1926 (7 U.S.C. 451-457), and for conducting research re-  
 13 lating to the economic and marketing aspects of farmer co-  
 14 operatives, as authorized by the Agricultural Marketing  
 15 Act of 1946 (7 U.S.C. 1621-1627), \$1,175,000.

#### 16 SOIL CONSERVATION SERVICE

##### 17 CONSERVATION OPERATIONS

18 For necessary expenses for carrying out the provisions  
 19 of the Act of April 27, 1935 (16 U.S.C. 590a-590f), in-  
 20 cluding preparation of conservation plans and establishment  
 21 of measures to conserve soil and water (including farm  
 22 irrigation and land drainage and such special measures as  
 23 may be necessary to prevent floods and the siltation of reser-  
 24 voirs) ; operation of conservation nurseries; classification and



1 mapping of soil; dissemination of information; purchase and  
2 erection or alteration of permanent buildings; and operation  
3 and maintenance of aircraft, \$109,235,000: *Provided*, That  
4 the cost of any permanent building purchased, erected or  
5 as improved, exclusive of the cost of constructing a water  
6 supply or sanitary system and connecting the same to any  
7 such building and with the exception of buildings acquired  
8 in conjunction with land being purchased for other purposes,  
9 shall not exceed \$2,500, except for one building to be con-  
10 structed at a cost not to exceed \$25,000 and eight buildings  
11 to be constructed or improved at a cost not to exceed  
12 \$15,000 per building and except that alterations or im-  
13 provements to other existing permanent buildings costing  
14 \$2,500 or more may be made in any fiscal year in an  
15 amount not to exceed \$500 per building: *Provided further*,  
16 That no part of this appropriation shall be available for the  
17 construction of any such building on land not owned by the  
18 Government: *Provided further*, That no part of this ap-  
19 propriation may be expended for soil and water conserva-  
20 tion operations under the Act of April 27, 1935 (16 U.S.C.  
21 590a-590f) in demonstration projects: *Provided further*,  
22 That this appropriation shall be available for field employ-  
23 ment pursuant to the second sentence of section 706 (a) of  
24 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
25 \$5,000 shall be available for employment under section 15

1 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided*  
2 *further*, That qualified local engineers may be temporarily  
3 employed at per diem rates to perform the technical plan-  
4 ning work of the service.

## WATERSHED PLANNING

6 For necessary expenses for small watershed investiga-  
7 tions and planning, in accordance with the Watershed Pro-  
8 tection and Flood Prevention Act, as amended (16 U.S.C.  
9 1001-1008), to remain available until expended, \$6,142,-  
10 000, with which shall be merged the unexpended balances  
11 of funds heretofore appropriated under this head: *Provided,*  
12 That this appropriation shall be available for field employ-  
13 ment pursuant to the second sentence of section 706(a)  
14 of the Organic Act of 1944 (5 U.S.C. 574), and not to  
15 exceed \$50,000 shall be available for employment under  
16 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

## WATERSHED PROTECTION

18 For necessary expenses to conduct river basin surveys  
19 and investigations, and research, and to carry out preventive  
20 measures, including, but not limited to, engineering opera-  
21 tions, methods of cultivation, the growing of vegetation, and  
22 changes in use of land, in accordance with the Watershed  
23 Protection and Flood Prevention Act, approved August 4,  
24 1954, as amended (16 U.S.C. 1001-1008), and the pro-  
25 visions of the Act of April 27, 1935 (16 U.S.C. 590a-f),



1 to remain available until expended, ~~(15)\$67,020,000~~ \$70,-  
2 000,000, with which shall be merged the unexpended bal-  
3 ances of funds heretofore appropriated or transferred to the  
4 Department for watershed protection purposes: *Provided*,  
5 That this appropriation shall be available for field employ-  
6 ment pursuant to the second sentence of section 706 (a) of  
7 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
8 \$100,000 shall be available for employment under section  
9 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided*  
10 *further*, That not to exceed \$5,000,000, together with the  
11 unobligated balance of funds previously appropriated for  
12 loans and related expense, shall be available for such  
13 purposes.

#### 14 FLOOD PREVENTION

15 For necessary expenses, in accordance with the Flood  
16 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,  
17 16 U.S.C. 1006a), as amended and supplemented, and in  
18 accordance with the provisions of laws relating to the activi-  
19 ties of the Department, to perform works of improvement,  
20 including funds for field employment pursuant to the second  
21 sentence of section 706 (a) of the Organic Act of 1944 (5  
22 U.S.C. 574), and not to exceed \$100,000 for employment  
23 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
24 55a), to remain available until expended; \$25,654,000,  
25 with which shall be merged the unexpended balances of

1 funds heretofore appropriated or transferred to the Depart-  
 2 ment for flood prevention purposes: *Provided*, That not to  
 3 exceed \$200,000, together with the unobligated balance of  
 4 funds previously appropriated for loans and related expense,  
 5 shall be available for such purposes.

#### 6 GREAT PLAINS CONSERVATION PROGRAM

7 For necessary expenses to carry into effect a program of  
 8 conservation in the Great Plains area, pursuant to section  
 9 16(b) of the Soil Conservation and Domestic Allotment  
 10 Act, as added by the Act of August 7, 1956 (16 U.S.C.  
 11 590p), ~~(16)\$16,112,000~~ \$18,500,000, to remain available  
 12 until expended.

#### 13 RESOURCE CONSERVATION AND DEVELOPMENT

14 For necessary expenses in planning and carrying out  
 15 projects for resource conservation and development, and for  
 16 sound land use, pursuant to the provisions of section 32(e)  
 17 of title III of the Bankhead-Jones Farm Tenant Act, as  
 18 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions  
 19 of the Act of April 27, 1935 (16 U.S.C. 590a-f),  
 20 ~~(17)\$4,347,000~~ \$4,574,000, to remain available until ex-  
 21 pended: *Provided*, That not to exceed \$500,000 of such  
 22 amount shall be available for loans and related expenses un-  
 23 der subtitle A of the Consolidated Farmers Home Adminis-  
 24 tration Act of 1961, as amended: *Provided further*, That this  
 25 appropriation shall be available for field employment pursuant



1 to the second sentence of section 706 (a) of the Organic Act  
2 of 1944 (5 U.S.C. 574), and not to exceed \$50,000 shall be  
3 available for employment under section 15 of the Act of  
4 August 2, 1946 (5 U.S.C. 55a).

## 5 ECONOMIC RESEARCH SERVICE

### 6 SALARIES AND EXPENSES

7 For necessary expenses of the Economic Research  
8 Service in conducting economic research and service relating  
9 to agricultural production, marketing, and distribution, as  
10 authorized by the Agricultural Marketing Act of 1946 (7  
11 U.S.C. 1621-1627), and other laws, including economics  
12 of marketing; analyses relating to farm prices, income and  
13 population, and demand for farm products, use of resources  
14 in agriculture, adjustments, costs and returns in farming, and  
15 farm finance; and for analyses of supply and demand for  
16 farm products in foreign countries and their effect on pros-  
17 pects for United States exports, progress in economic de-  
18 velopment and its relation to sales of farm products, assembly  
19 and analysis of agricultural trade statistics and analysis of  
20 international financial and monetary programs and policies  
21 as they affect the competitive position of United States farm  
22 products; ~~(18)\$12,032,000~~ \$12,182,000: *Provided*, That  
23 not less than \$350,000 of the funds contained in this appro-  
24 priation shall be available to continue to gather statistics and  
25 conduct a special study on the price spread between the

1 farmer and consumer: *Provided further*, That this appro-  
 2 priation shall be available for employment pursuant to the  
 3 second sentence of section 706 (a) of the Organic Act of  
 4 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be  
 5 available for employment under section 15 of the Act of  
 6 August 2, 1946 (5 U.S.C. 55a): *Provided, further*, That  
 7 not less than \$145,000 of the funds contained in this appro-  
 8 priation shall be available for analysis of statistics and related  
 9 facts on foreign production and full and complete information  
 10 on methods used by other countries to move farm commod-  
 11 ities in world trade on a competitive basis.

## 12 STATISTICAL REPORTING SERVICE

### 13 SALARIES AND EXPENSES

14 For necessary expenses of the Statistical Reporting  
 15 Service in conducting statistical reporting and service  
 16 work, including crop and livestock estimates, statistical co-  
 17 ordination and improvements, and marketing surveys, as  
 18 authorized by the Agricultural Marketing Act of 1946 (7  
 19 U.S.C. 1621-1627) and other laws, ~~(19)\$13,272,000~~ \$13-  
 20 575,000: *Provided*, That no part of the funds herein appro-  
 21 priated shall be available for any expense incident to publish-  
 22 ing estimates of apple production for other than the commer-  
 23 cial crop: *Provided further*, That this appropriation shall be  
 24 available for employment pursuant to the second sentence of  
 25 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),



1 and not to exceed \$40,000 shall be available for employment  
2 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
3 55a).

#### 4 CONSUMER AND MARKETING SERVICE

#### 5 CONSUMER PROTECTIVE, MARKETING, AND REGULATORY 6 PROGRAMS

7 For expenses necessary to carry on services related to  
8 consumer protection, agricultural marketing and distribution,  
9 and regulatory programs, other than Packers and Stockyards  
10 Act, as authorized by law, and for administration and co-  
11 ordination of payments to States; including field employment  
12 pursuant to section 706 (a) of the Organic Act of 1944 (5  
13 U.S.C. 574), and not to exceed \$25,000 for employment  
14 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
15 55a), in carrying out section 201 (a) to 201 (d), inclusive,  
16 of title II of the Agricultural Adjustment Act of 1938 (7  
17 U.S.C. 1291) and section 203 (j) of the Agricultural Mar-  
18 keting Act of 1946; ~~(20)\$82,757,000~~ \$83,581,000.

#### 19 PAYMENTS TO STATES AND POSSESSIONS

20 For payments to departments of agriculture, bureaus and  
21 departments of markets, and similar agencies for marketing  
22 activities under section 204 (b) of the Agricultural Market-  
23 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,750,000.

## 1 SPECIAL MILK PROGRAM

2 For necessary expenses to carry out the special milk  
 3 program, as authorized by the Act of August 8, 1961 (7  
 4 U.S.C. 1446, note), ~~(21)\$50,000,000~~ \$105,000,000,  
 5 ~~(22)and in addition \$53,000,000~~ shall be transferred from  
 6 funds available under section 32 of the Act of August 24,  
 7 1935 (7 U.S.C. 612c), and merged with this appropriation.

## 8 SCHOOL LUNCH PROGRAM

9 For necessary expenses to carry out the provisions of  
 10 the National School Lunch Act, as amended (42 U.S.C.  
 11 1751-1760), ~~(23)\$157,000,000~~ \$169,500,000, including  
 12 ~~(24)\$2,000,000~~ \$4,500,000 for special assistance to needy  
 13 schools, as authorized by law: *Provided*, That no part of  
 14 this appropriation shall be used for nonfood assistance under  
 15 section 5 of said Act: *Provided further*, That \$45,000,000  
 16 shall be transferred to this appropriation from funds available  
 17 under section 32 of the Act of August 24, 1935 (7 U.S.C.  
 18 612c), for purchase and distribution of agricultural commod-  
 19 ities and other foods pursuant to section 6 of the National  
 20 School Lunch Act.

## 21 FOOD STAMP PROGRAM

22 For necessary expenses of the food stamp program pur-  
 23 suant to the Food Stamp Act of 1964, ~~(25)\$150,000,000~~,



1 to be provided from funds available under section 32 of the  
 2 Act of August 24, 1935 (7 U.S.C. 612c) \$110,000,000,  
 3 and in addition \$30,000,000 appropriated under this head  
 4 in Public Law 89-316, approved November 2, 1965, shall  
 5 be transferred to and merged with this appropriation(26):  
 6 Provided, That no funds available in this Act shall be used  
 7 to plan or formulate a food stamp program for fiscal 1968  
 8 to be financed in whole or in part from funds available  
 9 under section 32 of the Act of August 24, 1935 (7 U.S.C.  
 10 612c).

# 11 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

## 12 (SECTION 32)

13 No funds available under section 32 of the Act of Au-  
 14 gust 24, 1935 (7 U.S.C. 612c) shall be used for any pur-  
 15 pose other than commodity program expenses as authorized  
 16 therein, and other related operating expenses, except for  
 17 (1) transfers to the Department of the Interior as authorized  
 18 by the Fish and Wildlife Act of August 8, 1956, (2) trans-  
 19 fers otherwise provided in this Act, and (3) not more than  
 20 \$2,924,000 for formulation and administration of marketing  
 21 agreements and orders pursuant to the Agricultural Mar-

1   keting Agreement Act of 1937, as amended, and the Agri-  
2   cultural Act of 1961.

### 3                   FOREIGN AGRICULTURAL SERVICE

#### 4                   SALARIES AND EXPENSES

5       For necessary expenses for the Foreign Agricultural  
6   Service, including carrying out title VI of the Agricultural  
7   Act of 1954 (7 U.S.C. 1761-1768), market development  
8   activities abroad, and for enabling the Secretary to coordi-  
9   nate and integrate activities of the Department in connection  
10   with foreign agricultural work, including not to exceed \$35,-  
11   000 for representation allowances and for expenses pursuant  
12   to section 8 of the Act approved August 3, 1956 (7 U.S.C.  
13   1766), ~~(27)\$21,088,000~~ \$21,349,000: *Provided*, That not  
14   less than \$255,000 of the funds contained in this appropria-  
15   tion shall be available to obtain statistics and related facts on  
16   foreign production and full and complete information on meth-  
17   ods used by other countries to move farm commodities in  
18   world trade on a competitive basis: *Provided further*, That,  
19   in addition, not to exceed \$3,117,000 of the funds appro-  
20   priated by section 32 of the Act of August 24, 1935, as  
21   amended (7 U.S.C. 612c), shall be merged with this appro-



1 priation and shall be available for all expenses of the Foreign  
2 Agricultural Service.

### 3 COMMODITY EXCHANGE AUTHORITY

#### 4 SALARIES AND EXPENSES

5 For necessary expenses to carry into effect the provi-  
6 sions of the Commodity Exchange Act, as amended (7  
7 U.S.C. 1-17a), \$1,398,000.

### 8 AGRICULTURAL STABILIZATION AND CONSERVATION

#### 9 SERVICE

#### 10 EXPENSES, AGRICULTURAL STABILIZATION AND

#### 11 CONSERVATION SERVICE

12 For necessary administrative expenses of the Agricul-  
13 tural Stabilization and Conservation Service, including ex-  
14 penses to formulate and carry out programs authorized by  
15 title III of the Agricultural Adjustment Act of 1938, as  
16 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as  
17 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),  
18 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and  
19 Domestic Allotment Act, as amended (16 U.S.C. 590g-  
20 590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil  
21 Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816);  
22 and laws pertaining to the Commodity Credit Corporation,  
23 **(28)**~~\$128,558,000~~ \$130,424,500: *Provided*, That, in addi-  
24 tion, not to exceed **(29)**~~\$75,803,600~~ \$77,545,000 may be  
25 transferred to and merged with this appropriation from the

1 Commodity Credit Corporation fund (including not to ex-  
2 ceed \$30,008,000 under the limitation on Commodity Credit  
3 Corporation administrative expenses) : *Provided further,*  
4 That other funds made available to the Agricultural Stabiliza-  
5 tion and Conservation Service for authorized activities may  
6 be advanced to and merged with this appropriation: *Pro-*  
7 *vided further,* That no part of the funds appropriated or made  
8 available under this Act shall be used (1) to influence the  
9 vote in any referendum; (2) to influence agricultural legis-  
10 lation, except as permitted in 18 U.S.C. 1913; or (3) for  
11 salaries or other expenses of members of county and com-  
12 munity committees established pursuant to section 8 (b) of  
13 the Soil Conservation and Domestic Allotment Act, as  
14 amended, for engaging in any activities other than advisory  
15 and supervisory duties and delegated program functions pre-  
16 scribed in administrative regulations.

17                                   SUGAR ACT PROGRAM

18       For necessary expenses to carry into effect the provisions  
19 of the Sugar Act of 1948 (7 U.S.C. 1101-1161),  
20 \$80,000,000, to remain available until June 30 of the next  
21 succeeding fiscal year.

22                                   AGRICULTURAL CONSERVATION PROGRAM

23       For necessary expenses to carry into effect the program  
24 authorized in sections 7 to 15, 16 (a), and 17 of the Soil  
25 Conservation and Domestic Allotment Act, approved Febru-



1 ary 29, 1936, as amended (16 U.S.C. 590g-590 (o) , 590p  
2 (a) , and 590q) , including not to exceed \$6,000 for the  
3 preparation and display of exhibits, including such displays  
4 at State, interstate, and international fairs within the United  
5 States, \$220,000,000, to remain available until December 31  
6 of the next succeeding fiscal year for compliance with the  
7 programs of soil-building and soil- and water-conserving  
8 practices authorized under this head in the Department of  
9 Agriculture and Related Agencies Appropriation Acts,  
10 1965 and 1966, carried out during the period July 1, 1964,  
11 to December 31, 1966, inclusive: *Provided*, That none of  
12 the funds herein appropriated shall be used to pay the salaries  
13 or expenses of any regional information employees or any  
14 State information employees, but this shall not preclude the  
15 answering of inquiries or supplying of information at the  
16 county level to individual farmers: *Provided further*, That no  
17 portion of the funds for the current year's program may be  
18 utilized to provide financial or technical assistance for drain-  
19 age on wetlands now designated as Wetland Types 3 (III) ,  
20 4 (IV) , and 5 (V) in United States Department of the In-  
21 terior, Fish and Wildlife Service Circular 39, Wetlands of  
22 the United States, 1956: *Provided further*, That necessary  
23 amounts shall be available for administrative expenses in con-  
24 nection with the formulation and administration of the 1967  
25 program of soil-building and soil- and water-conserving prac-

1 tices, including related wildlife conserving practices, under  
2 the Act of February 29, 1936, as amended (amounting to  
3 \$220,000,000, excluding administration, except that no  
4 participant shall receive more than \$2,500, except where  
5 the participants from two or more farms or ranches join  
6 to carry out approved practices designed to conserve or im-  
7 prove the agricultural resources of the community) : *Pro-*  
8 *vided further*, That not to exceed 5 per centum of the alloca-  
9 tion for the current year's agricultural conservation pro-  
10 gram for any county may, on the recommendation of  
11 such county committee and approval of the State committee,  
12 be withheld and allotted to the Soil Conservation Service for  
13 services of its technicians in formulating and carrying out  
14 the agricultural conservation program in the participating  
15 counties, and shall not be utilized by the Soil Conservation  
16 Service for any purpose other than technical and other assist-  
17 ance in such counties, and in addition, on the recommenda-  
18 tion of such county committee and approval of the State  
19 committee, not to exceed 1 per centum may be made avail-  
20 able to any other Federal, State, or local public agency for  
21 the same purpose and under the same conditions: *Provided*  
22 *further*, That for the current year's program \$2,500,000  
23 shall be available for technical assistance in formulating and  
24 carrying out agricultural conservation practices: *Provided*  
25 *further*, That such amounts shall be available for the pur-



1 chase of seeds, fertilizers, lime, trees, or any other farming  
 2 material, or any soil-terracing services, and making grants  
 3 thereof to agricultural producers to aid them in carrying out  
 4 farming practices approved by the Secretary under programs  
 5 provided for herein: *Provided further*, That no part of any  
 6 funds available to the Department, or any bureau, office,  
 7 corporation, or other agency constituting a part of such  
 8 Department, shall be used in the current fiscal year for the  
 9 payment of salary or travel expenses of any person who has  
 10 been convicted of violating the Act entitled "An Act to pre-  
 11 vent pernicious political activities", approved August 2,  
 12 1939, as amended, or who has been found in accordance  
 13 with the provisions of title 18, United States Code, section  
 14 1913, to have violated or attempted to violate such section  
 15 which prohibits the use of Federal appropriations for the  
 16 payment of personal services or other expenses designed to  
 17 influence in any manner a Member of Congress to favor or  
 18 oppose any legislation or appropriation by Congress except  
 19 upon request of any Member or through the proper official  
 20 channels.

21 APPALACHIAN REGION CONSERVATION PROGRAM

22 For necessary expenses, not otherwise provided for, to  
 23 carry into effect section 203 of the Appalachian Regional  
 24 Development Act of 1965, ~~(30)\$2,200,000~~ \$3,000,-  
 25 000(31), and in addition \$1,375,000 appropriated under

1 *this head in the Second Supplemental Appropriation Act,*  
 2 *1965, shall be transferred to and merged with this appro-*  
 3 *priation, to remain available until expended.*

#### 4 CROPLAND CONVERSION PROGRAM

5 For necessary expenses to promote the conservation and  
 6 economic use of land pursuant to the provisions of section  
 7 16 (e) of the Soil Conservation and Domestic Allotment Act  
 8 (16 U.S.C. 590h, 590p), as amended, ~~(32)\$7,500,000~~  
 9 ~~\$10,000,000~~, to remain available until expended.

#### 10 CROPLAND ADJUSTMENT PROGRAM

11 For necessary expenses to carry into effect a Cropland  
 12 Adjustment Program as authorized by the Food and Agricul-  
 13 ture Act of 1965, including reimbursement to Commodity  
 14 Credit Corporation, ~~(33)\$90,000,000~~ ~~\$50,000,000~~: *Pro-*  
 15 *vided*, That agreements entered into during the fiscal year  
 16 1967 shall not require payments during the calendar year  
 17 1967 exceeding \$80,000,000.

#### 18 CONSERVATION RESERVE PROGRAM

19 For necessary expenses to carry out a conservation  
 20 reserve program as authorized by subtitles B and C of the  
 21 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and  
 22 1816), and to carry out liquidation activities for the acreage  
 23 reserve program, to remain available until expended,  
 24 \$140,000,000, with which may be merged the unexpended  
 25 balances of funds heretofore appropriated for soil bank pro-



1 grams: *Provided*, That no part of these funds shall be paid  
 2 on any contract which is illegal under the law due to the  
 3 division of lands for the purpose of evading limits on annual  
 4 payments to participants.

5                   EMERGENCY CONSERVATION MEASURES

6       For emergency conservation measures, to be used for  
 7 the same purposes and subject to the same conditions as  
 8 funds appropriated under this head in the Third Supple-  
 9 mental Appropriation Act, 1957, to remain available until  
 10 expended, \$5,000,000, with which shall be merged the  
 11 unexpended balances of funds heretofore appropriated for  
 12 emergency conservation measures.

13                  RURAL COMMUNITY DEVELOPMENT SERVICE

14                               SALARIES AND EXPENSES

15       For necessary expenses, not otherwise provided for, of  
 16 the Rural Community Development Service in providing  
 17 leadership, coordination, liaison, and related services in the  
 18 rural areas development activities of the Department,  
 19 ~~(34)\$637,000~~ \$2,500,000: *Provided*, That not to exceed  
 20 \$3,000 shall be available for employment under section 15  
 21 of the Act of August 2, 1946 (5 U.S.C. 55a).

22                  OFFICE OF THE INSPECTOR GENERAL

23                               SALARIES AND EXPENSES

24       For necessary expenses of the Office of the Inspector  
 25 General, including employment pursuant to the second sen-

1 tence of section 706 (a) of the Organic Act of 1944 (5  
 2 U.S.C. 574) and not to exceed \$10,000 for employment  
 3 under section 15 of the Act of August 2, 1946 (5 U.S.C.  
 4 55a), \$11,254,000.

#### 5 PACKERS AND STOCKYARDS ACT

6 For expenses necessary for administration of the Packers  
 7 and Stockyards Act, as authorized by law, including field  
 8 employment pursuant to section 706 (a) of the Organic Act  
 9 of 1944 (5 U.S.C. 574), ~~(35)\$2,400,000~~ \$2,604,000.

#### 10 OFFICE OF THE GENERAL COUNSEL

##### 11 SALARIES AND EXPENSES

12 For necessary expenses, including payment of fees or  
 13 dues for the use of law libraries by attorneys in the field  
 14 service, \$4,325,000.

#### 15 OFFICE OF INFORMATION

##### 16 SALARIES AND EXPENSES

17 For necessary expenses of the Office of Information for  
 18 the dissemination of agricultural information and the coordi-  
 19 nation of informational work and programs authorized by  
 20 Congress in the Department, ~~(36)\$1,826,000~~ \$1,851,000,  
 21 of which total appropriation not to exceed ~~(37)\$537,000~~  
 22 \$562,000 may be used for farmers' bulletins, which shall be  
 23 adapted to the interests of the people of the different sections  
 24 of the country, an equal proportion of four-fifths of which



1 shall be available to be delivered to or sent out under the  
 2 addressed franks furnished by the Senators, Representatives,  
 3 and Delegates in Congress, as they shall direct (7 U.S.C.  
 4 417), and not less than two hundred and thirty-two thousand  
 5 two hundred and fifty copies for the use of the Senate and  
 6 House of Representatives of part 2 of the annual report of the  
 7 Secretary (known as the Yearbook of Agriculture) as au-  
 8 thorized by section 73 of the Act of January 12, 1895 (44  
 9 U.S.C. 241) : *Provided*, That in the preparation of motion  
 10 pictures or exhibits by the Department, this appropriation  
 11 shall be available for employment pursuant to the second sen-  
 12 tence of section 706 (a) of the Organic Act of 1944 (5  
 13 U.S.C. 574), and not to exceed \$10,000 shall be available  
 14 for employment under section 15 of the Act of August 2,  
 15 1946 (5 U.S.C. 55a).

## 16 NATIONAL AGRICULTURAL LIBRARY

### 17 SALARIES AND EXPENSES

18 For necessary expenses of the National Agricultural  
 19 Library, ~~(38)\$2,147,000~~ \$2,501,000: *Provided*, That this  
 20 appropriation shall be available for employment pursuant to  
 21 the second sentence of section 706 (a) of the Organic Act of  
 22 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be

1 available for employment under section 15 of the Act of  
2 August 2, 1946 (5 U.S.C. 55a).

3 OFFICE OF MANAGEMENT SERVICES

4 SALARIES AND EXPENSES

5 For necessary expenses to enable the Office of Manage-  
6 ment Services to provide management support services to  
7 selected agencies and offices of the Department of Agricul-  
8 ture, \$2,600,000.

9 GENERAL ADMINISTRATION

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Secretary of  
12 Agriculture and for general administration of the Depart-  
13 ment of Agriculture, repairs and alterations, and other mis-  
14 cellaneous supplies and expenses not otherwise provided for  
15 and necessary for the practical and efficient work of the  
16 Department of Agriculture, \$3,959,000: *Provided*, That this  
17 appropriation shall be reimbursed from applicable appropria-  
18 tions for travel expenses incident to the holding of hearings as  
19 required by the Administrative Procedures Act (5 U.S.C.  
20 1001) : *Provided further*, That not to exceed \$2,500 of this  
21 amount shall be available for official reception and representa-



tion expenses, not otherwise provided for, as determined by the Secretary.

## TITLE II—CREDIT AGENCIES

### RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

#### LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, and to remain available without fiscal year limitation in accordance with section 3 (e) of said Act, as follows: Rural electrification program, ~~(39)\$365,000,000~~ \$375,000,000, ~~(40)of which \$72,500,000~~ shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone programs ~~(41)\$97,000,000~~ \$117,000,000, ~~(42)of which \$6,000,000~~ shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then

1 existing conditions for the expeditious and orderly develop-  
 2 ment of the rural telephone program.

### 3 SALARIES AND EXPENSES

4 For administrative expenses, including not to exceed  
 5 \$500 for financial and credit reports, funds for employment  
 6 pursuant to the second sentence of section 706 (a) of the  
 7 Organic Act of 1944 (5 U.S.C. 574), and not to exceed  
 8 \$150,000 for employment under section 15 of the Act  
 9 of August 2, 1946 (5 U.S.C. 55a), ~~(43)\$12,202,000~~  
 10 \$12,302,000.

### 11 FARMERS HOME ADMINISTRATION

#### 12 DIRECT LOAN ACCOUNT

13 Direct loans and advances under subtitles A and B, and  
 14 advances under section 335 (a) for which funds are not other-  
 15 wise available, of the Consolidated Farmers Home Adminis-  
 16 tration Act of 1961 (7 U.S.C. 1921), as amended, may be  
 17 made from funds available in the Farmers Home Administra-  
 18 tion direct loan account as follows: real estate loans,  
 19 \$90,000,000; and operating loans, ~~(44)\$300,000,000~~  
 20 \$350,000,000, ~~(45)~~ of which \$50,000,000 shall be placed  
 21 in reserve to be used only to the extent required during the  
 22 current fiscal year under the then existing conditions for the  
 23 expeditious and orderly conduct of the loan program.



1           RURAL WATER AND WASTE DISPOSAL GRANTS

2           For grants pursuant to sections 306 (a) (2) and 306  
3   (a) (6) of the Consolidated Farmers Home Administration  
4   Act of 1961, as amended, \$26,000,000.

5           RURAL HOUSING DIRECT LOAN ACCOUNT

6           For direct loans and related advances pursuant to sec-  
7   tion 518 (d) of the Housing Act of 1949 (79 Stat. 500),  
8   \$15,000,000 shall be available from funds in the rural hous-  
9   ing direct loan account.

10          RURAL HOUSING FOR DOMESTIC FARM LABOR

11          For financial assistance ~~(46) to public nonprofit organiza-~~  
12   ~~tions~~ for housing for domestic farm labor, pursuant to sec-  
13   tion 516 of the Housing Act of 1949, as amended (42  
14   U.S.C. 1486), \$3,000,000, to remain available until  
15   expended.

16                   RURAL RENEWAL

17          For necessary expenses, including administrative ex-  
18   penses, in carrying out rural renewal activities under section  
19   32 (e) of title III of the Bankhead-Jones Farm Tenant  
20   Act, as amended, \$1,200,000, to remain available until  
21   expended.

22                   SALARIES AND EXPENSES

23          For necessary expenses of the Farmers Home Adminis-  
24   tration, not otherwise provided for, in administering the  
25   programs authorized by the Consolidated Farmers Home

1 Administration Act of 1961 (7 U.S.C. 1921-1990), as  
 2 amended, title V of the Housing Act of 1949, as amended  
 3 (42 U.S.C. 1471-1490), and the Rural Rehabilitation  
 4 Corporation Trust Liquidation Act, approved May 3,  
 5 1950 (40 U.S.C. 440-444) ; ~~(47) \$51,057,000~~ \$51,000,-  
 6 000, together with not more than \$2,250,000 of the charges  
 7 collected in connection with the insurance of loans as author-  
 8 ized by section 309 (e) of the Consolidated Farmers Home  
 9 Administration Act of 1961, as amended, and section  
 10 514 (b) (3) of the Housing Act of 1949, as amended:  
 11 *Provided*, That, in addition, not to exceed \$500,000 of the  
 12 funds available for the various programs administered by  
 13 this agency may be transferred to this appropriation for  
 14 temporary field employment pursuant to the second sen-  
 15 tence of section 706 (a) of the Organic Act of 1944 (5  
 16 U.S.C. 574) to meet unusual or heavy workload increases:  
 17 *Provided further*, That no part of any funds in this para-  
 18 graph may be used to administer a program which makes  
 19 rural housing grants pursuant to section 504 of the Housing  
 20 Act of 1949, as amended.

### 21 TITLE III—CORPORATIONS

22 The following corporations and agencies are hereby  
 23 authorized to make such expenditures, within the limits of  
 24 funds and borrowing authority available to each such cor-  
 25 poration or agency and in accord with law, and to make



1 such contracts and commitments without regard to fiscal  
 2 year limitations as provided by section 104 of the Govern-  
 3 ment Corporation Control Act, as amended, as may be  
 4 necessary in carrying out the programs set forth in the  
 5 budget for the current fiscal year for such corporation or  
 6 agency, except as hereinafter provided:

7 **FEDERAL CROP INSURANCE CORPORATION**

8 **ADMINISTRATIVE AND OPERATING EXPENSES**

9 For administrative and operating expenses, (48)\$8,-  
 10 ~~342,000~~ \$8,546,000.

11 **FEDERAL CROP INSURANCE CORPORATION FUND**

12 Not to exceed (49)\$4,150,000 \$4,000,000 of adminis-  
 13 trative and operating expenses may be paid from premium  
 14 income: *Provided*, That in the event the Federal Crop Insur-  
 15 ance Corporation Fund is insufficient to meet indemnity pay-  
 16 ments and other charges against such Fund, not to exceed  
 17 \$500,000 may be borrowed from the Commodity Credit Cor-  
 18 poration under such terms and conditions as the Secretary  
 19 may prescribe, but repayment of such amount shall include  
 20 interest at a rate not less than the cost of money to the  
 21 Commodity Credit Corporation for a comparable period.

22 **COMMODITY CREDIT CORPORATION**

23 **REIMBURSEMENT FOR NET REALIZED LOSSES**

24 To partially reimburse the Commodity Credit Corpora-  
 25 tion for net realized losses sustained but not previously reim-

1 bursed, pursuant to the Act of August 17, 1961 (15 U.S.C.  
 2 713a-11, 713a-12), ~~(50)\$3,500,000,000~~ \$3,555,855,000  
 3 ~~(51):~~*Provided*, That no funds appropriated by this Act  
 4 shall be used to formulate or administer programs for the sale  
 5 of agricultural commodities pursuant to titles I or IV of Pub-  
 6 lie Law 480, 83rd Congress, as amended, to any nation  
 7 which sells or furnishes or which permits ships or aircraft  
 8 under its registry to transport to North Vietnam any equip-  
 9 ment, materials or commodities, so long as North Vietnam is  
 10 governed by a Communist regime: *Provided*, That unless the  
 11 President determines that the national interest requires other-  
 12 wise, no funds appropriated by this Act shall be used  
 13 to formulate or administer programs for the sale of agricul-  
 14 tural commodities pursuant to titles I or IV of Public Law  
 15 480, Eighty-third Congress, as amended, to any nation which  
 16 sells or furnishes or which permits ships or aircraft under its  
 17 registry to transport to North Vietnam any equipment, mate-  
 18 rials, or commodities, so long as hostilities are in progress  
 19 in Vietnam.

#### 20       LIMITATION ON ADMINISTRATIVE EXPENSES

21       Nothing in this Act shall be so construed as to prevent  
 22 the Commodity Credit Corporation from carrying out any  
 23 activity or any program authorized by law: *Provided*, That  
 24 not to exceed \$34,300,000 shall be available for adminis-  
 25 trative expenses of the Corporation: *Provided further*, That



1 \$945,000 of this authorization shall be available only to  
2 expand and strengthen the sales program of the Corporation  
3 pursuant to authority contained in the Corporation's charter:  
4 *Provided further*, That not less than 7 per centum of this  
5 authorization shall be placed in reserve to be apportioned  
6 pursuant to section 3679 of the Revised Statutes, as amended,  
7 for use only in such amounts and at such times as may be-  
8 come necessary to carry out program operations: *Provided*  
9 *further*, That all necessary expenses (including legal and  
10 special services performed on a contract or fee basis, but not  
11 including other personal services) in connection with the  
12 acquisition, operation, maintenance, improvement, or dispo-  
13 sition of any real or personal property belonging to the Cor-  
14 poration or in which it has an interest, including expenses  
15 of collections of pledged collateral, shall be considered as non-  
16 administrative expenses for the purposes hereof.

17 PUBLIC LAW 480

18 For expenses during fiscal year 1967, not otherwise  
19 recoverable, and unrecovered prior years' costs, including  
20 interest thereon, under the Agricultural Trade Development  
21 and Assistance Act of 1954, as amended (7 U.S.C. 1701-  
22 1709, 1721-1724, 1731-1736), to remain available until  
23 expended, as follows: (1) Sale of surplus agricultural com-  
24 modities for foreign currencies pursuant to title I of said Act,

1 \$1,040,000,000; (2) commodities disposed of for emergency  
 2 famine relief to friendly peoples pursuant to title II of said  
 3 Act, \$200,000,000; and (3) long-term supply contracts  
 4 pursuant to title IV of said Act, \$377,000,000.

5 **(52)INTERNATIONAL WHEAT AGREEMENT**

6 For expenses during fiscal year 1967 and unrecovered  
 7 prior years' costs, including interest thereon, under the In-  
 8 ternational Wheat Agreement Act of 1949, as amended (7  
 9 U.S.C. 1641-1642), or commodity export authorities of the  
 10 Commodity Credit Corporation, \$40,000,000, to remain  
 11 available until expended.

12 **TITLE IV—RELATED AGENCIES**

13 **FARM CREDIT ADMINISTRATION**

14 **LIMITATION ON ADMINISTRATIVE EXPENSES**

15 Not to exceed \$3,032,000 (from assessments collected  
 16 from farm credit agencies) shall be obligated during the cur-  
 17 rent fiscal year for administrative expenses.

18 **NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER**  
 19 **EXPENSES**

20 For necessary expenses, not otherwise provided, of the  
 21 National Advisory Commission on Food and Fiber estab-  
 22 lished to assist the President's Committee on Food and Fiber,  
 23 including services as authorized by section 15 of the Act of  
 24 August 2, 1946 (5 U.S.C. 55a), **(53)\$350,000 \$600,000.**



## 1           TITLE V—GENERAL PROVISIONS

2           SEC. 501. Within the unit limit of cost fixed by law.  
3 appropriations and authorizations made for the Department  
4 under this Act shall be available for the purchase, in addi-  
5 tion to those specifically provided for, of not to exceed four  
6 hundred and ~~(54) twenty-one~~ *thirty-four* passenger motor  
7 vehicles for replacement only, and for the hire of such  
8 vehicles.

9           SEC. 502. Provisions of law prohibiting or restricting  
10 the employment of aliens shall not apply to employment  
11 under the appropriation for the Foreign Agricultural Service.

12          SEC. 503. Funds available to the Department of Agri-  
13 culture shall be available for uniforms or allowances therefor  
14 as authorized by the Act of September 1, 1954, as amended  
15 (5 U.S.C. 2131).

16          SEC. 504. No part of the funds appropriated by this  
17 Act shall be used for the payment of any officer or employee  
18 of the Department who, as such officer or employee, or on  
19 behalf of the Department or any division, commission, or  
20 bureau thereof, issues, or causes to be issued, any prediction,  
21 oral or written, or forecast, except as to damage threatened  
22 or caused by insects and pests, with respect to future prices  
23 of cotton or the trend of same.

24          SEC. 505. Except to provide materials required in or  
25 incident to research or experimental work where no suitable

1 domestic product is available, no part of the funds appropri-  
2 ated by this Act shall be expended in the purchase of twine  
3 manufactured from commodities or materials produced out-  
4 side of the United States.

5 SEC. 506. Not less than \$1,500,000 of the appropria-  
6 tions of the Department for research and service work author-  
7 ized by the Acts of August 14, 1946, July 28, 1954, and  
8 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.  
9 1891-1893), shall be available for contracting in accordance  
10 with said Acts.

11 SEC. 507. No part of any appropriation contained in  
12 this Act shall remain available for obligation beyond the  
13 current fiscal year unless expressly so provided herein.

14 This Act may be cited as the "Department of Agricul-  
15 ture and Related Agencies Appropriation Act, 1967".

Passed the House of Representatives April 26, 1966.

Attest:

RALPH R. ROBERTS,

*Clerk.*

Passed the Senate with amendments July 15, 1966.

Attest:

EMERY L. FRAZIER,

*Secretary.*



87<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

H. R. 14596

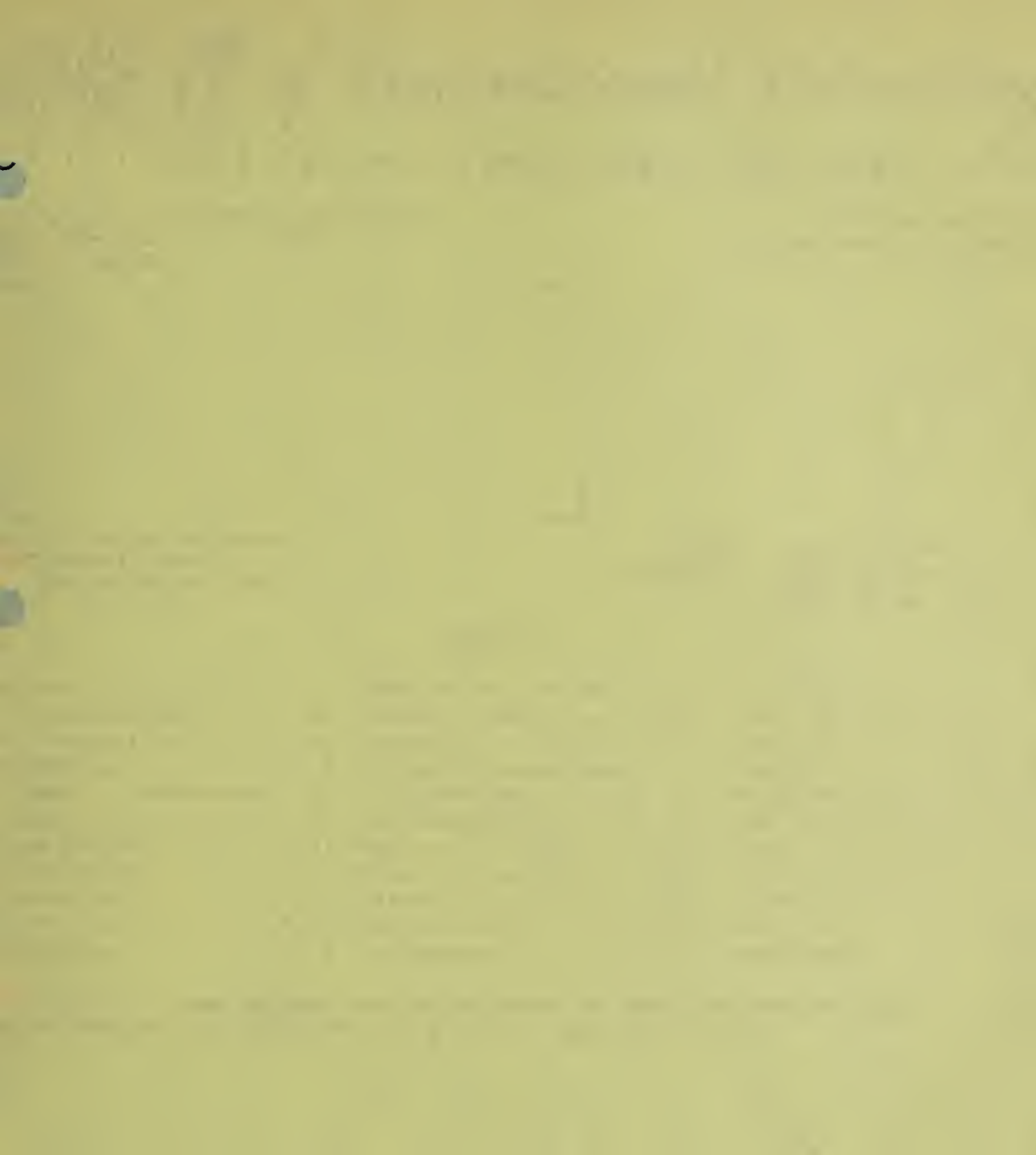
## AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1966

Ordered to be printed with the amendments of the  
Senate numbered





H. R. 14586

AN ACT

# ***DIGEST*** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued August 23, 1966  
For actions of August 22, 1966  
89th-2nd; No. 139

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**HIGHLIGHTS:** House adopted conference report on small reclamation projects bill.  
House subcommittee approved bill to repeal Naval Stores Act.

### SENATE

1. FOREIGN AFFAIRS; WATER. Passed without amendment S. 2747, to authorize an agreement with Mexico for joint measures for solution of the Lower Rio Grande salinity problem. pp. 19318-9
2. BANKING. Passed as reported S. 3158, to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations. pp. 19360-85



3. PERSONNEL; RETIREMENT. Passed as reported S. 699, to provide for inclusion of certain periods of reemployment of annuitants for the purpose of computing annuities of their surviving spouses. pp. 19385-6
4. PEACE CORPS. The Senate made its pending business S. 3418, the Peace Corps authorization bill. The Foreign Relations Committee had reported this bill earlier in the day (S. Rept. 1486). pp. 19313, 19400
5. SCHOOL MILK. Sen. Proxmire praised the school milk program as a "preventive health measure" because it provides good nutrition for children in their formative years. p. 19340
6. FORESTS. Sen. Moss commended the Forest Service's new "fire scan" program of fire detection and mapping research. p. 19341  
Sen. Morse inserted several articles which "depict progress in conservation on private forest lands" in Western states. pp. 19352-3
7. WORLD FOOD. Sen. McGovern inserted a speech which states that in view of the growth in world population a food shortage "catastrophe" appears a near certainty. pp. 19344-6
8. FOREIGN AID. Sen. Hruska spoke in opposition to the proposed "Foreign Aid Planning Committee" and inserted some research information on the subject. pp. 19348-51
9. INFLATION. Sen. Byrd, Va., expressed concern "over the alarming signs of increasing debt and inflation." p. 19332  
Sens. Gore, Long, La., and Morse expressed concern over "high interest rates and tight money," and Sen. Long, La., stated that interest rate increases raise the cost of farm production and the farmer "must raise his prices or take a loss." pp. 19400-3

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HOUSE

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10. APPROPRIATIONS. Conferees were appointed on H. R. 14596, the agricultural appropriation bill. (p. 19258) and H. R. 15941, the defense appropriation bill (p. 19260).
11. RECLAMATION. Agreed to the second (revised) conference report on S. 602, to amend the Small Reclamation Projects Act of 1956 (pp. 19258-60). This bill will now be sent to the President. See Digest 136 for provisions of the report.
12. NAVAL STORES. A subcommittee of the Agriculture Committee approved for full committee action H. R. 7381, to repeal the Naval Stores Act. p. D789
13. INTEREST RATES. Rep. Patman urged passage of the bill to hold down interest rates. p. 19258
14. WHEAT. Rep. Dole stated that most wheat producers feel that the recent wheat acreage increase "is no guarantee of greater profits" and asked assurance from this Department that "there will be no efforts...to control the market price." p. 19292





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 89<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 112

WASHINGTON, MONDAY, AUGUST 22, 1966

No. 139

## House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*O satisfy us early with Thy mercy; so that we may rejoice and be glad all our days.*—Psalm 90: 14.

O God and Father of us all, who art a tower of defense to all who put their trust in Thee—we come before Thee this moment in gratitude for Thy steadfast love and for Thy enduring faithfulness. In Thee alone is our hope, our strength, and our very life. Inspire us, the leaders of our people, with a clear vision and a definite mission to meet the needs of our country with clean minds, understanding hearts, and loyal spirits. We pray that Thy spirit may be so alive within us that we will be men who put truth before falsehood, good will above ill will, self-denial in place of self-interest, high principles over low prejudices—so shall we be champions of justice and peace, so shall we continue to hold a high regard for personality everywhere. May Thy will be done in us and in all men. In the Master's name we pray. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, August 18, 1966, was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8760. An act to amend the provisions of the Oil Pollution Act, 1961 (33 U.S.C. 1001-1015), to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 15941. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1967, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15941) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1967, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL of Georgia, Mr. HILL, Mr. McCLELLAN, Mr. ELLENDER, Mr. STENNIS, Mr. SYMINGTON, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mrs. SMITH to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3052) entitled "An act to provide for a coordinated national highway safety program through financial assistance to the States to accelerate highway traffic safety programs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. GRUENING, Mr. MUSKIE, Mr. MOSS, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report on the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15456) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1967, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2663. An act for the relief of Dinesh Kumar Poddar.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 476. An act to amend the act approved March 18, 1950, providing for the construction of airports in or in close proximity to national parks, national monuments, and national recreation areas, and for other purposes.

S. 1596. An act to promote the domestic and foreign commerce of the United States by modernizing practices of the Federal Gov-

ernment relating to the inspection of persons, merchandise, and conveyances moving into, through, and out of the United States, and for other purposes;

S. 3197. An act to amend section 416 of the Federal Aviation Act of 1958;

S. 3446. An act to consolidate and reenact certain of the shipping laws of the United States, and for other purposes; and

S. 3708. An act to assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 170, 74th Congress, appointed Mr. YOUNG of Ohio to be an alternate delegate to the Interparliamentary Union Conference to be held in Teheran, Iran, September 27 to October 4, 1966.

The message also announced that the Vice President, pursuant to Public Law 689, 84th Congress, appointed Mr. CLARK to be an alternate delegate to the North Atlantic Treaty Organization Parliamentary Conference to be held in Paris, France, November 14 to 19, 1966.

### APPOINTMENT AS MEMBERS OF THE U.S. GROUP OF THE NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, the Chair appoints as members of the U.S. group of the North Atlantic Treaty Parliamentary Conference the following Members on the part of the House: The gentleman from Ohio [Mr. HAYS] as chairman, the gentleman from New Jersey [Mr. ROBINO], the gentleman from Indiana [Mr. DENTON], the gentleman from South Carolina [Mr. RIVERS], the gentleman from Pennsylvania [Mr. CLARK], the gentleman from Illinois [Mr. ARENDS], the gentleman from Michigan [Mr. CHAMBERLAIN], the gentleman from Massachusetts [Mr. BATES], and the gentleman from Illinois [Mr. FINDLEY].



**MAKING APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1967, AND FOR OTHER PURPOSES**

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

The Chair hears none and appoints the following conferees: Messrs. WHITTEN, NATCHER, HULL, MORRIS, MAHON, MICHEL, LANGEN, and Bow.

**PERMISSION TO SIT DURING GENERAL DEBATE TODAY, SUBCOMMITTEE ON ELECTIONS OF COMMITTEE ON HOUSE ADMINISTRATION**

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate today, August 22.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

**PERMISSION TO SIT DURING GENERAL DEBATE TODAY, AD HOC SUBCOMMITTEE ON THE HANDICAPPED OF COMMITTEE ON EDUCATION AND LABOR**

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Ad Hoc Committee on the Handicapped of the Committee on Education and Labor may be permitted to sit during general debate today, August 22.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

**ONE HUNDRED AND FORTY MILLION DOLLARS STOLEN IN GHANA**

(Mr. GEORGE W. ANDREWS asked and was given permission to address the House for 1 minute.)

Mr. GEORGE W. ANDREWS. Mr. Speaker, in yesterday's paper there was an AP story from Ghana to the effect that since the date of the birth of that Nation, March 6, 1957, until the date of the most recent coup, February 24 of this year, the officials of that country of Ghana had stolen \$140 million—\$140 million.

Only one has confessed and he stated that he received illegally \$5,600,000.

Mr. Speaker, I checked with the clerk of our committee this morning to find out how much we have given Ghana between those dates and the answer was \$163 million.

Now \$140 million was stolen from somewhere—I assume from the \$163 million that we gave them under the foreign aid program. If that be true, then we must increase our appropriation for Ghana because they are not getting anything like their share of what is coming to them.

**TELEGRAMS AND LETTERS DEMONSTRATE THAT THE AMERICAN PEOPLE ARE DEEPLY CONCERNED OVER HIGH INTEREST RATES**

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, the American people are tremendously aroused by high interest and tight money. They are deeply concerned by lack of action to correct this tragic situation.

The national crisis of high interest has prompted more mail to my office than any issue since World War II. Mr. Speaker, just last Saturday morning, I received more than 75 telegrams representing all sections of the country. These telegrams demanded action on the part of Congress to bring down these usurious interest charges. In addition, I am receiving hundreds of letters on this issue.

My colleagues, I am sure, likewise are receiving heavy mail against the high interest rate policies. Mr. Speaker, it is obvious that this Congress cannot long delay taking meaningful steps to bring the American people relief.

H.R. 14026 is expected to come before the House in early September. This bill, which lowers interest rate to 4½ percent on consumer certificates of deposit, will put the Congress on record for lower and lower interest rates.

H.R. 14026 will be a clear-cut test of the will of Congress on interest rates.

I hope that Congress will move swiftly to pass H.R. 14026. In any event, I feel very strongly that this 89th Congress should not adjourn until it has solved the problem created by high interest and tight money. We should not walk off and leave this job undone.

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. BOLAND addressed the House. His remarks will appear hereafter in the Appendix.]

**REBELS WITH A CAUSE**

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I call to the attention of the House a paragraph in an article carried by the Washington Post under the date of August 19. The article is entitled "Anacostia Youth Get Role in Melee Probe; Area Center Quizzed."

The first two paragraphs of the article are as follows:

District Commissioner Walter N. Tobriner yesterday gave the young people of Anacostia one of the things they wanted, a major voice

in the committee that will try to determine why the police station there was stoned Monday night.

Walter Williams, 20, a Barry Farm resident and member of Rebels With a Cause, an organization financed by the city's anti-poverty agency, will come in on equal footing with the other two cochairmen, banker Henry K. Willard II and Urban League chief Sterling Tucker.

Mr. Speaker, I repeat the statement in the news release:

Walter Williams . . . member of Rebels With a Cause, an organization financed by the city's antipoverty agency, and so forth.

In other words, unless the news story is wrong, my taxes and the taxes of everybody in South Dakota and the other 49 States are going to finance an organization known as Rebels With a Cause who may or may not have been responsible, or may or may not have taken part in the melee that occurred at the Anacostia police station Monday night of last week.

Mr. Speaker, if this is what our tax money is being used for, the promotion of riots and violence, then I say it is time this Congress and especially the Appropriations Committee in this House take a long look at this kind of abuse of the taxpayer's dollar.

Mr. Speaker, is this what is known as the Great Society?

**SMALL RECLAMATION PROJECTS ACT**

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill S. 602, an act to amend the Small Reclamation Projects Act of 1956, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 17, 1966.)

Mr. ASPINALL (interrupting the reading). Mr. Speaker, inasmuch as this is a unanimous report and there is only one difference between the report that was previously filed and this one, I ask that the report be considered as read and printed in the Journal.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, the conference report which we bring back to the House today is identical to the report considered by the House on July 21 with one exception. The language extending the geographical coverage of the Small Reclamation Projects Act to the entire United States has been eliminated. Thus, the program will be continued only in the 17 western reclamation States and Hawaii. The action of the House on July 21, turning down the previous conference report, made it quite clear that, at the present time, there is little interest in the Eastern and Southern States in the benefits which this program pro-

ON

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# *DIGEST of Congressional Proceedings*

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued August 24, 1966  
For actions of August 23, 1966  
89th-2nd; No. 140

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appropriations.....1	Lending.....20	Roads.....2
Appropriations.....1,6	Minerals.....13	Rules Committee.....8
Beef imports.....17	Organization of	Rural development.....3
Committee business.....13	Congress.....26	School lunch.....24
Cost of living.....5	Pacific Islands.....13	School milk.....16
Disaster relief.....22	Packaging.....20	Sea grant colleges.....8
Electrification.....29	Peace Corps.....12	Taxes.....27
Farm life.....18	Postal rates.....30	Transporation.....9,10,21
Forest roads.....2	Poverty.....14	Truth bills.....20
Highway safety.....7	President's trip.....15	Veterans.....23
Information.....25	Property.....27	Water pollution.....19
Intermediate credit.....8	Recreation.....28	Water resources.....4
Labor standards.....11	Research.....13	

HIGHLIGHTS: House received conference report on agricultural appropriation bill. Conferees agreed on road authorization bill. Rural community development bill was postponed at Rep. Cooley's request.

### HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Received the conference report on this bill, H. R. 14596 (H. Rept. 1867) (pp. 19471-3). Attached are a copy of the conference report and a table showing the changes agreed upon.
2. ROADS. The conferees agreed to report on S. 3155, the road authorization bill for 1968 and 1969, which includes items for forest roads and trails. p. D795



3. RURAL DEVELOPMENT. At Rep. Cooley's request, S. 2934, the rural community development districts bill, was postponed until "some later date." p. 19483
4. WATER RESOURCES. Received the conference report on S. 3034, to authorize the Interior Department to engage in studies of the feasibility of certain water resource development projects (H. Rept. 1865). pp. 19473-7  
The Interior and Insular Affairs Committee reported with amendment S. 2287, to authorize a 5-year hydrologic study and investigation of the Delmarva Peninsula (H. Rept. 1866). p. 19495  
The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 13508, to direct the Interior Department to cooperate with N. Y. and N. J. on a program to develop, preserve, and restore the Hudson River and its shores and to authorize steps to protect those resources from adverse Federal actions until the States and Congress shall have opportunity to act on the program. p. D794
5. COST OF LIVING. Rep. Ashbrook inserted an article analyzing increases in the cost of living. pp. 19487-8
6. DEFENSE APPROPRIATION BILL. Received the conference report on this bill, H. R. 15941 (H. Rept. 1868). p. 19495
7. HIGHWAY SAFETY. Conferees were appointed on S. 3052, to provide for a coordinated national safety program through financial assistance to the States to accelerate highway traffic safety programs. Senate conferees have been appointed. p. 19471
8. RULES COMMITTEE "granted rules" on H. R. 16559, to authorize sea grant colleges; H. J. Res. 1217, to delete the interest rate limitation on debentures of the Federal Intermediate Credit Banks; and S. 2747, to authorize an agreement with Mexico to solve the Lower Rio Grande salinity problem. pp. D794-5
9. TRANSPORTATION. The conferees agreed to report on S. 3688, the urban mass transit bill. p. D795
10. LEGISLATIVE PROGRAM. The "Daily Digest" states that the bill to establish a Transportation Department will be considered today. p. D794

#### SENATE

11. LABOR STANDARDS. Made its pending business H. R. 13712, to increase minimum wages and extend such coverage to additional employees. Sen. Javits submitted a "child labor in agriculture" amendment. The Labor and Public Welfare Committee reported this bill with an amendment in the nature of a substitute (S. Rept. 1487). pp. 19446, 19464, 19468-79
12. PEACE CORPS. Passed as reported S. 3418, the Peace Corps authorization bill. pp. 19445-6, 19463-4
13. COMMITTEE BUSINESS. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 3460, to authorize Interior to enter into contracts for scientific and technological research; S. 3485, to clarify the meaning of "common variety" under the Mineral Law Revision Act; and S. 3504 to increase authorizations for the operation of the civil government of the Trust Territory of the Pacific Islands. p. D793

# UNITED STATES DEPARTMENT OF AGRICULTURE

## Conference Report on the Department of Agriculture and Related Agencies Appropriation Bill, 1967

[Note.--Amounts for 1966 include all supplemental appropriations to date, and are adjusted for comparability with the appropriation structure provided in the 1967 Conference Report. Amounts in brackets are not included in totals.]

Agency or Item	Appropriations and Loan Authorizations, 1966 a/	Budget Estimate, 1967	House Bill, 1967	Senate Bill, 1967	Conference Report, 1967
<b>GENERAL ACTIVITIES:</b>					
Agricultural Research Service:					
Salaries and expenses:					
Research .....	\$125,959,000	\$107,980,000	\$120,673,000	\$123,844,600	\$123,402,500
Transfer from Section 32 .....	[18,100,000]	[25,000,000]	[25,000,000]	[25,000,000]	[25,000,000]
Special Fund (Reappropriation) .....	[2,000,000]	[2,000,000]	[2,000,000]	[2,000,000]	[2,000,000]
Plant and animal disease and pest control .....	75,547,000	69,748,000	76,764,000	81,498,200	80,263,900
Salaries and expenses (Special foreign currency program) .....	3,000,000	b/	3,000,000	6,000,000	4,500,000
Cooperative State Research Service (principally payments to States) .....	54,827,000	47,740,000	55,227,000	60,740,000	58,740,000
Extension Service (principally payments to States) .....	89,135,000	90,224,000	89,824,000	92,824,000	92,824,000
Farmer Cooperative Service .....	1,167,000	1,175,000	1,175,000	1,175,000	1,175,000
Soil Conservation Service:					
Conservation operations .....	108,802,000	109,020,000	109,235,000	109,235,000	109,235,000
Watershed planning .....	5,853,000	6,397,000	6,142,000	6,142,000	6,142,000
Watershed protection .....	66,331,000	66,559,000	67,020,000	70,000,000	70,000,000
Flood prevention .....	25,571,000	25,654,000	25,654,000	25,654,000	25,654,000
Great Plains Conservation Pro- gram .....	16,082,000	16,112,000	16,112,000	18,500,000	18,500,000
Resource Conservation and Development .....	4,347,000	4,574,000	4,347,000	4,574,000	4,574,000



Agency or Item	Appropriations and Loan Authorizations, 1966 a/	Budget Estimate, 1967	House Bill, 1967	Senate Bill, 1967	Conference Report, 1967
GENERAL ACTIVITIES (Cont.):					
Economic Research Service .....	\$ 11,782,000	\$ 12,547,000	\$ 12,032,000	\$ 12,182,000	\$ 12,132,000
Statistical Reporting Service ...	14,067,000	13,434,000	13,272,000	13,575,000	13,511,750
Consumer and Marketing Service:					
Consumer Protective, Marketing					
and Regulatory programs c/.....	77,654,000	83,961,000	82,757,000	83,881,000	83,881,000
Payments to States .....	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
Special milk program .....	103,000,000	21,000,000	d/50,000,000	105,000,000	d/51,000,000
School lunch program e/ .....	157,000,000	138,000,000	157,000,000	169,500,000	165,855,000
Food stamp program .....	f/79,992,000	g/[150,000,000]	150,000,000	h/110,000,000	h/110,000,000
Foreign Agricultural Service i/ ..	20,752,000	21,379,000	21,088,000	21,349,000	21,218,500
Commodity Exchange Authority ....	1,197,000	1,398,000	1,398,000	1,398,000	1,398,000
Agricultural Stabilization and Conservation Service:					
Expenses, Agricultural Stabili-					
zation and Conservation Ser-					
vice j/ .....	126,278,500	135,891,000	128,558,000	130,424,500	128,558,000
Sugar Act program .....	95,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Agricultural conservation pro-					
gram k/ .....	220,000,000	220,000,000	220,000,000	220,000,000	220,000,000
Appalachian region conservation					
program .....	- - -	4,375,000	2,200,000	1/ 3,000,000	1/3,000,000
Cropland conversion program ...	7,500,000	10,000,000	7,500,000	10,000,000	7,500,000
Cropland adjustment program ...	- - -	m/ 200,000,000	m/90,000,000	m/50,000,000	m/50,000,000
Conservation reserve program ..	146,000,000	143,000,000	140,000,000	140,000,000	140,000,000
Emergency conservation measures	24,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Rural Community Development Ser-					
vice.....	637,000	3,468,000	637,000	2,500,000	637,000
Office of the Inspector General .	10,613,000	11,602,000	11,254,000	11,254,000	11,254,000
Packers and Stockyards Act n/ ...	2,400,000	2,604,000	2,400,000	2,604,000	2,502,000
Office of the General Counsel ...	4,286,000	4,325,000	4,325,000	4,325,000	4,325,000
Office of Information .....	1,915,000	1,826,000	1,826,000	1,851,000	1,851,000
National Agricultural Library:					
Salaries and expenses .....	1,735,000	2,501,000	2,147,000	2,501,000	2,412,500
Library facilities .....	7,000,000	- - -	- - -	- - -	- - -

Agency or Item	Appropriations and Loan Authorizations 1966 <u>a/</u>	Budget Estimate 1967	House Bill, 1967	Senate Bill, 1967	Conference Report, 1967
GENERAL ACTIVITIES (Cont.):					
Office of Management Services...	\$ 2,542,000	\$ 2,687,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
General Administration.....	3,928,000	3,959,000	3,959,000	3,959,000	3,959,000
Total, General Activities.....	1,697,649,500	1,669,890,000	1,616,876,000	1,788,840,300	1,719,355,150
CREDIT AGENCIES:					
Rural Electrification Adminis- tration:					
Loan authorizations <u>c/</u> .....	[462,000,000]	[305,000,000]	[462,000,000]	[492,000,000]	[492,000,000]
Salaries and expenses.....	12,202,000	12,202,000	12,202,000	12,302,000	12,202,000
Farmers Home Administration:					
Direct loan account .....	p/[375,000,000]	p/[397,100,000]	p/[390,000,000]	[440,000,000]	p/[440,000,000]
Rural water and waste disposal: grants.....	20,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Rural housing direct loan account.....	2,500,000	<u>q/</u>	<u>q/</u>	<u>q/</u>	<u>q/</u>
Rural housing for domestic farm labor .....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Rural renewal.....	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Salaries and expenses <u>r/</u> .....	49,661,000	51,600,000	51,057,000	51,000,000	51,057,000
Rural housing insurance fund...	100,000,000	---	---	---	---
Rural housing grants.....	---	4,000,000	---	---	---
Emergency credit revolving fund.....	30,000,000	---	---	---	---
Total, Loan Authorizations	[837,000,000]	[702,100,000]	[852,000,000]	[932,000,000]	[932,000,000]
Total, Appropriations, CREDIT AGENCIES.....	218,563,000	98,002,000	93,459,000	93,502,000	93,459,000
CORPORATIONS:					
Federal Crop Insurance Cor- poration:					
Operating and administrative Expenses (Appropriations).....	8,192,000	8,546,000	8,342,000	8,546,000	8,446,000
Operating expenses from premium income <u>s/</u> .....	[4,000,000]	[4,000,000]	[4,150,000]	[4,000,000]	[4,100,000]



Agency or Item	Appropriations and Loan Authorizations, 1966 a/	Budget Estimate, 1967	House Bill, 1967	Senate Bill, 1967	Conference Report, 1967
CORPORATIONS (Cont.):					
Commodity Credit Corporation:					
Reimbursement for net real-					
ized losses .....	\$2,800,000,000	\$3,555,855,000	\$3,500,000,000	\$3,555,855,000	\$3,555,855,000
Administrative expense					
limitation .....	[36,650,000]	[34,300,000]	[34,300,000]	[34,300,000]	[34,300,000]
Public Law 480:					
Sales for foreign currencies	1,144,000,000	1,040,000,000	1,040,000,000	1,040,000,000	1,040,000,000
Emergency famine relief ....	298,500,000	200,000,000	200,000,000	200,000,000	200,000,000
Long-term supply contracts .	215,500,000	377,000,000	377,000,000	377,000,000	377,000,000
Total, Public Law 480 .....	1,658,000,000	1,617,000,000	1,617,000,000	1,617,000,000	1,617,000,000
International Wheat					
Agreement .....	27,544,000	60,000,000	40,000,000	- -	- -
Bartered materials for sup-					
plemental stockpile .....	- -	13,000,000	- -	- -	- -
Total, Corporations (in-					
cluding Public Law 480) .	4,493,736,000	5,254,401,000	5,165,342,000	5,181,401,000	5,181,301,000
TOTAL, ABOVE APPROPRIATIONS ...	6,409,948,500	7,022,293,000	6,875,677,000	7,063,743,300	6,994,115,150
SECTION 501 - GENERAL PROVISIONS:					
Purchase of passenger motor					
vehicles:					
Additional vehicles .....	XXX	77	- -	- -	- -
Replacements .....	XXX	421	421	434	434
Total .....	XXX	498	421	434	434

a/ Includes all supplementals to date.

b/ The 1967 Budget estimates proposed the deletion of the dollar appropriation for purchase of foreign currencies and the substitution of an authorization to use foreign currencies, the dollar equivalent of which was \$23,788,000, based on exchange rates as of September 30, 1965. The House and Senate restored the direct dollar appropriation.

c/ Amounts exclude \$2,400,000 in 1966 and Budget estimate of \$2,604,000 for the Packers and Stockyards Act for which the House and Senate provided a separate appropriation.

d/ In addition, the House and Conferees provided a transfer of \$53,000,000 from Section 32 funds.

e/ In addition, a transfer of \$45,000,000 from Section 32 funds is authorized.

f/ Excludes \$20,000,000 available by reappropriation of prior year funds.

g/ The Budget estimates and House Bill proposed that this program be financed by transfer from Section 32 funds.

h/ In addition, the Senate and Conferees authorized a reappropriation of \$30,000,000.

i/ In addition, \$3,117,000 available from Section 32 funds.

j/ In addition, transfers from CCC authorized as follows: 1966, \$87,495,000; 1967 Budget estimate, \$77,545,000; House Bill, \$75,803,600; Senate, \$77,545,000; Conferees, \$75,803,600.

k/ The 1966 Appropriation Act, House and Senate Bills and Conference Report include an advance authorization of \$220 million. The 1967 Budget estimate was \$100 million.

l/ In addition, Senate and Conferees guthorized a reappropriation of \$1,375,000.

m/ Budget estimates proposed an advance authorization for the 1967 fiscal year program of \$215,000,000. The House and Senate Bills provided \$80,000,000.

n/ Represents amounts previously included under the Consumer and Marketing Service and appropriated for separately in the House and Senate Bills.

o/ Includes reserve authorization for electric and telephone loans as follows:

	:	1966	:	1967 Budget:	House	:	Senate	:	Conference
	:		:	Estimate	Bill	:	Bill	:	Action
Electric loans	.....	\$60,000,000:	:	- 0 -	\$72,500,000:	:	- 0 -	:	\$30,000,000
Telephone loans	.....	15,000,000:	:	- 0 -	6,000,000:	:	- 0 -	:	15,000,000

p/ Includes contingency reserve of \$50,000,000 for Operating Loans in the Budget and House Bill and \$25,000,000 in the Conference Action.

q/ 1967 Budget estimate and House and Senate Bills proposed a loan authorization of \$15,000,000.

r/ In addition, 1966 Act, 1967 House and Senate Bills and Conference Action authorize a transfer of \$500,000 from other funds for temporary field employment. The 1967 Budget estimate proposed elimination of this authorization.

s/ In addition, 1966 Act provided authority to borrow, on a temporary basis, not to exceed \$250,000 from CCC. 1967 Budget estimate proposed increasing this limitation to \$10,000. The House and Senate Bills provided a \$500,000 authorization.





DEPARTMENT OF AGRICULTURE AND RELATED  
AGENCIES APPROPRIATIONS, 1967

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AUGUST 23, 1966.—Ordered to be printed

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Mr. WHITTEN, from the committee of conference, submitted the  
following

CONFERENCE REPORT

[To accompany H.R. 14596]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 13, 22, 24, 26, 28, 29, 32, 34, 43, 46, 47, and 51.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 9, 10, 12, 14, 15, 16, 17, 20, 30, 33, 36, 37, 39, 41, 44, 50, 52, and 54, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$123,402,500; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,169,000; and the Senate agree to the same.



Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,580,200; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$80,263,900; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,500,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$51,113,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$58,740,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,132,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$13,511,750; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$51,000,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$165,855,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$21,218,500; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,502,000; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,412,500; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: *of which \$30,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: *of which \$15,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program*; and the Senate agree to the same.



Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: *of which \$25,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$8,446,000; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,100,000; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$475,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 25 and 31.

JAMIE L. WHITTEN,  
WILLIAM H. NATCHER,  
W. R. HULL, Jr.,  
THOMAS G. MORRIS,  
GEORGE MAHON,  
ROBERT H. MICHEL,  
ODIN LANGEN,  
FRANK T. BOW,

*Managers on the Part of the House.*

SPESSARD L. HOLLAND,  
RICHARD B. RUSSELL,  
ALLEN J. ELLENDER,  
MILTON R. YOUNG,  
KARL E. MUNDT,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

### DEPARTMENT OF AGRICULTURE

#### AGRICULTURAL RESEARCH SERVICE

Amendments Nos. 1 through 4.—*Research*.—Appropriate \$123,402,500 instead of \$120,673,000 as proposed by the House and \$123,844,600 as proposed by the Senate.

The amount agreed to includes \$11,169,000 for planning and construction of facilities instead of \$10,619,000 as proposed by the House and \$11,869,000 as proposed by the Senate. The increase over the House includes: Southern Piedmont Research Center, \$175,000; feasibility study at Rapid City, S. Dak., \$25,000; laboratory-office facilities at Canal Point, Fla., \$100,000; and modernization of greenhouses at Beltsville, Md., \$250,000.

The amount provided also includes increases of \$356,600 for staffing research facilities and \$2,644,000 for acceleration of research activities listed on pages 6 and 7 of the Senate report. The proposed Senate reduction of \$1,435,600 for research activities was reduced to \$821,100 by the conferees to provide for the retention of the following research facilities: Sheep breeding, Fort Wingate, N. Mex., \$88,900; swine research, Miles City, Mont., \$25,300; brucellosis research, St. Paul, Minn., \$5,400; flax research, Brawley, Calif., \$35,000, and Brookings, S. Dakota, \$21,500; cotton research, Brawley, Calif., \$10,800; corn borer research, Ankeny, Iowa, \$79,900; insect research, Brownsville, Tex., \$22,000; soil and water conservation and engineering research, Auburn, Ala., \$20,000; wind damage research, Blacksburg, Va., \$2,000; wheat research, Peoria, Ill., \$303,700.

The conferees agreed to the Senate language limiting future budget estimates for transfers from section 32 for research to \$15,000,000.

Amendments Nos. 5 and 6.—*Plant and animal disease and pest control*.—Appropriate \$80,263,900 instead of \$76,764,000 as proposed by the House and \$81,498,200 as proposed by the Senate, and eliminate Senate language authorizing the use of \$100,000 for planning. The increase includes an additional \$2,047,000 for fire ant eradication and three-fourths of the amount for each project added by the Senate, except for the \$100,000 for planning at Clifton, N.J.

The conferees expect that the full \$5,350,000 included for the fire ant eradication program and the funds added for the pink bollworm and



bollweevil outbreak in California will be fully matched by funds from State and local sources.

Amendment No. 7.—*Special foreign currency program.*—Appropriates \$4,500,000 instead of \$3,000,000 as proposed by the House and \$6,000,000 as proposed by the Senate.

#### COOPERATIVE STATE RESEARCH SERVICE

Amendments Nos. 8 through 11.—*Payments and expenses.*—Appropriate \$58,740,000 instead of \$55,227,000 as proposed by the House and \$60,740,000 as proposed by the Senate, including increases of \$3,000,000 for Hatch Act pay adjustments, \$500,000 for cooperative forestry research, and \$13,000 for administration.

#### EXTENSION SERVICE

Amendments Nos. 12 through 14.—*Payments to States and Puerto Rico.*—Appropriate \$78,917,500 as proposed by the Senate instead of \$75,917,500 as proposed by the House. The increase of \$3,000,000 is provided for pay adjustments needed to keep salaries in line with those in Federal and other related activities.

#### SOIL CONSERVATION SERVICE

Amendment No. 15.—*Watershed protection.*—Appropriates \$70,000,000 as proposed by the Senate instead of \$67,020,000 as proposed by the House. The increase over the House bill includes \$980,000 for river basin surveys and \$2,000,000 for work on Public Law 566 watersheds. The conferees also are in agreement that new planning starts should be restored to 100 in fiscal year 1967 and that new construction starts should be increased above 80 to the extent necessitated by the increase in construction funds included in the bill.

Amendment No. 16.—*Great Plains conservation program.*—Appropriates \$18,500,000 as proposed by the Senate instead of \$16,112,000 as proposed by the House.

Amendment No. 17.—*Resource conservation and development.*—Appropriates \$4,574,000 as proposed by the Senate instead of \$4,347,000 as proposed by the House.

#### ECONOMIC RESEARCH SERVICE

Amendment No. 18.—*Salaries and expenses.*—Appropriates \$12,132,000 instead of \$12,032,000 as proposed by the House and \$12,182,000 as proposed by the Senate. The increase includes \$50,000 for research in Appalachia and \$50,000 for studies of rural income and conditions.

#### STATISTICAL REPORTING SERVICE

Amendment No. 19.—*Salaries and expenses.*—Appropriates \$13,511,750 instead of \$13,272,000 as proposed by the House and \$13,575,000 as proposed by the Senate. The increase includes \$121,500 for farm employment and wage data; \$10,000 for estimates of mushroom production; \$40,000 for reporting service in Nevada; \$26,250 for Hawaii estimates; and \$42,000 for estimates on cut flowers.

## CONSUMER AND MARKETING SERVICE

Amendment No. 20.—*Consumer protective, marketing, and regulatory programs.*—Appropriates \$83,881,000 as proposed by the Senate instead of \$82,757,000 as proposed by the House.

Amendments Nos. 21 and 22.—*Special milk program.*—Provide a total of \$104,000,000 instead of \$103,000,000 as proposed by the House and \$105,000,000 as proposed by the Senate. Of the amount agreed to, \$51,000,000 is provided by direct appropriation and \$53,000,000 is provided by transfer from section 32 as originally proposed by the House.

As a result of action by the conferees, an additional \$146,000,000 in section 32 funds will be returned to the Treasury. Further, funds available to section 32 will be sufficient to cover all program operations required by basic law in fiscal year 1967 and will provide a carryover balance of \$300,000,000 into next year as permitted by law.

Amendments Nos. 23 and 24.—*School lunch program.*—Appropriate \$165,855,000 instead of \$157,000,000 as provided by the House and \$169,500,000 as provided by the Senate. The amount agreed to will provide an average 5 cents per meal for 3,235.4 million lunches expected to be served in the coming school year.

Amendments Nos. 25 and 26.—*Food stamp program.*—Provide a total of \$140,000,000, of which \$110,000,000 is by direct appropriation and \$30,000,000 is from unused prior year balances. The conferees have omitted from the bill the language included in Senate amendment No. 26 prohibiting the use of section 32 funds to finance this program in the future since such prohibition appears in the basic act. Those responsible for planning and financing this program should take account of this in the future.

## FOREIGN AGRICULTURAL SERVICE

Amendment No. 27.—*Salaries and expenses.*—Appropriates \$21,218,500 instead of \$21,088,000 as proposed by the House and \$21,349,000 as proposed by the Senate.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Amendments Nos. 28 and 29.—*Expenses, Agricultural Stabilization and Conservation Service.*—Appropriate \$128,558,000 as proposed by the House instead of \$130,424,500 as proposed by the Senate and authorize a transfer from the Commodity Credit Corporation of \$75,803,600 as proposed by the House instead of \$77,545,000 as proposed by the Senate.

Amendments Nos. 30 and 31.—*Appalachian region conservation program.*—Appropriate \$3,000,000 as proposed by the Senate instead of \$2,200,000 as proposed by the House and provide for the use of up to \$1,375,000 of prior year balances.

Amendment No. 32.—*Cropland conversion program.*—Appropriates \$7,500,000 as proposed by the House instead of \$10,000,000 as proposed by the Senate.

Amendment No. 33.—*Cropland adjustment program.*—Appropriates \$50,000,000 as proposed by the Senate instead of \$90,000,000 as proposed by the House.



## RURAL COMMUNITY DEVELOPMENT SERVICE

Amendment No. 34.—*Salaries and expenses.*—Appropriates \$637,000 as proposed by the House instead of \$2,500,000 as proposed by the Senate. Expansion of this agency has not been approved by the Congress.

## PACKERS AND STOCKYARDS ACT

Amendment No. 35.—Appropriates \$2,502,000 instead of \$2,400,000 as proposed by the House and \$2,604,000 as proposed by the Senate.

## OFFICE OF INFORMATION

Amendments Nos. 36 and 37.—*Salaries and expenses.*—Appropriate \$1,851,000 as proposed by the Senate instead of \$1,826,000 as proposed by the House and increase the amount available for the Yearbook of Agriculture.

## NATIONAL AGRICULTURAL LIBRARY

Amendment No. 38.—*Salaries and expenses.*—Appropriates \$2,412,500 instead of \$2,147,000 as proposed by the House and \$2,501,000 proposed by the Senate.

## RURAL ELECTRIFICATION ADMINISTRATION

Amendments Nos. 39 through 42.—*Loan authorizations.*—Authorize electrification loans of \$375,000,000 and telephone loans of \$117,000,000 as proposed by the Senate, and reinstate contingency reserves in the amounts of \$30,000,000 for electrification loans and \$15,000,000 for telephone loans.

Amendment No. 43.—*Salaries and expenses.*—Appropriates \$12,202,000 as proposed by the House instead of \$12,302,000 as proposed by the Senate.

## FARMERS HOME ADMINISTRATION

Amendments Nos. 44 and 45.—*Direct loan account.*—Authorize loans of \$350,000,000 as proposed by the Senate instead of \$300,000,000 as proposed by the House, and reinstate contingency reserve in the amount of \$25,000,000. The additional funds are to meet the ever-expanding need for operating loans.

Amendment No. 46.—*Rural housing for domestic farm labor.*—Reinstates House language limiting financial assistance under this program to "public nonprofit organizations."

Amendment No. 47.—*Salaries and expenses.*—Appropriates \$51,057,000 as proposed by the House, including \$400,000 for rural community development work in the field, instead of \$51,000,000 as proposed by the Senate.

The purpose of the Farmers Home Administration and its predecessor agencies since the 1930's has been (1) to enable rural people with financial difficulties to get a new start in farming or to expand their existing operations to improve their economic position, and (2) through close personal contact and supervision to enable borrowers who have no other source of credit to learn the fundamentals of successful financial management so as to improve their financial position and eventually return them to other regular sources of credit. This close contact with borrowers has resulted in an outstanding repayment

record by FHA borrowers. Under present conditions, this close supervision of borrowers may become even more important to the success of this program.

The managers on the part of the House agree that the Department should study the possibility of reducing administrative costs in this agency through simplifying billing and collection procedures. They recognize that followup advice and assistance is necessary for some borrowers, while for others direct billing and collection of repayments may be feasible, particularly in view of the recent purchase of a computer by this agency. The Department is encouraged to carefully review this situation and take steps to reduce costs but at the same time take care to maintain the continued excellent repayment record of FHA borrowers. The Department should also carefully review the results of the dispersal of appraisal activities to county offices to be sure that the interest of both the borrower and the Government are adequately protected.

#### FEDERAL CROP INSURANCE CORPORATION

Amendments Nos. 48 and 49.—*Administrative and operating expenses.*—Appropriate \$8,446,000 instead of \$8,342,000 as proposed by the House and \$8,546,000 as proposed by the Senate, and authorize the use of premium income for administrative and operating expenses in the amount of \$4,100,000 instead of \$4,150,000 as proposed by the House and \$4,000,000 as proposed by the Senate.

#### COMMODITY CREDIT CORPORATION

Amendments Nos. 50 and 51.—*Reimbursement for net realized losses.*—Appropriate \$3,555,855,000 as proposed by the Senate instead of \$3,500,000,000 as proposed by the House, and restore House language which prohibits Public Law 480 sales to nations which supply or transport goods to North Vietnam.

Amendment No. 52.—*International Wheat Agreement.*—Eliminates a separate appropriation for this purpose as proposed by the Senate. Wheat export payments will be financed in the future by the Commodity Credit Corporation under its commodity export authority and reimbursement will be included as a part of the annual reimbursement to the Corporation's capital funds.

#### FARM CREDIT ADMINISTRATION

The conferees have agreed that language on page 63 of the Senate committee report relating to retirement credit is a nullity.

#### NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER

Amendment No. 53.—*Expenses.*—Appropriates \$475,000 instead of \$350,000 as proposed by the House and \$600,000 as proposed by the Senate.



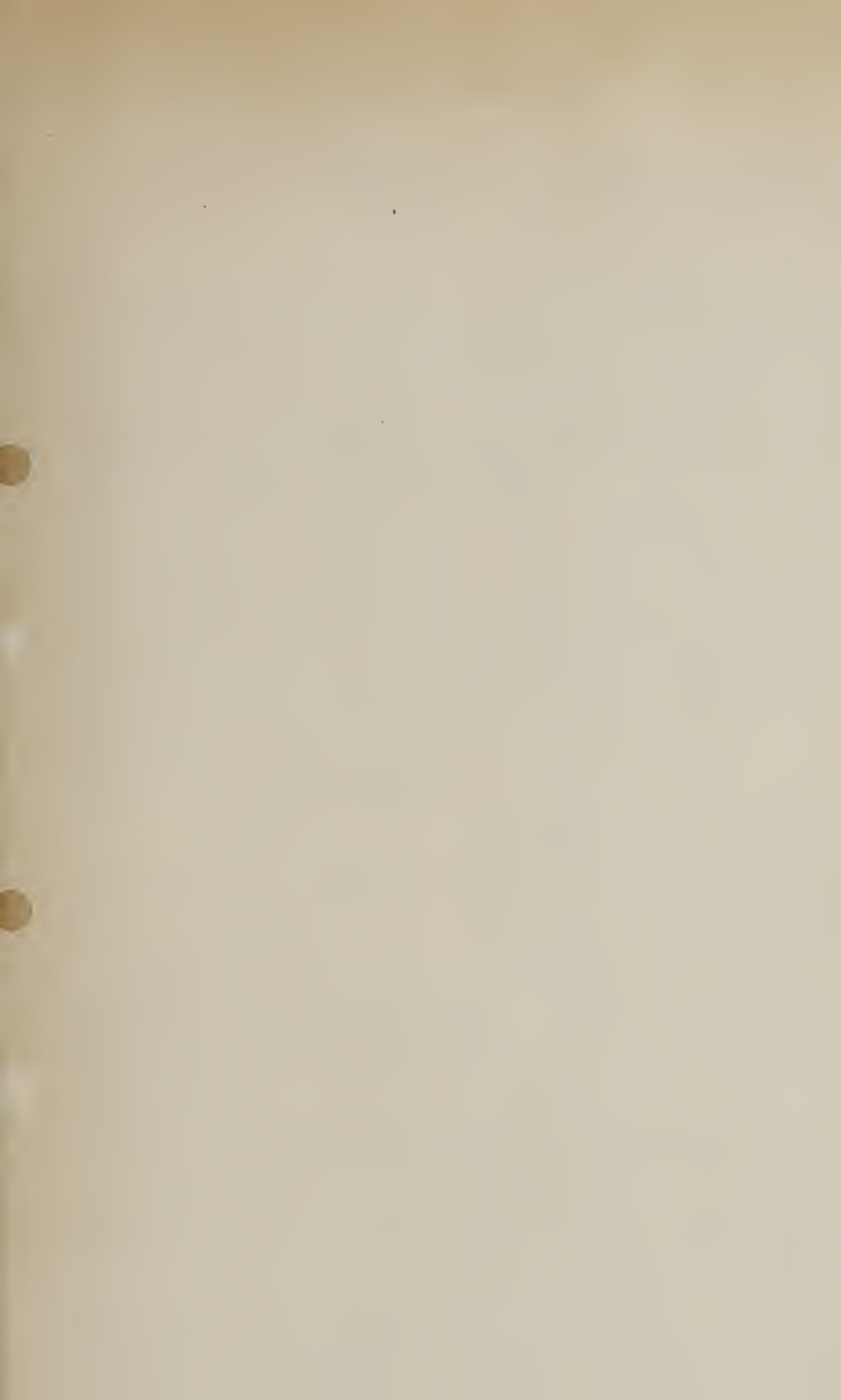
## GENERAL PROVISIONS

Amendment No. 54.—*Section 501.*—Authorizes the replacement of 434 passenger motor vehicles as proposed by the Senate instead of 421 as proposed by the House.

JAMIE L. WHITTEN,  
WILLIAM H. NATCHER,  
W. R. HULL, Jr.,  
THOMAS G. MORRIS,  
GEORGE MAHON,  
ROBERT H. MICHEL,  
ODIN LANGEN,  
FRANK T. BOW,

*Managers on the Part of the House.*

( )







# House of Representatives

TUESDAY, AUGUST 23, 1966

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*The Lord is my shepherd.*—Psalm 23: 1.

O God, whose strength sustains us in our work, whose hand supports us in our weariness, and whose presence gives us security in the time of trouble, grant unto us the renewing power of Thy holy spirit as we wait upon Thee in prayer. Lead us into green pastures, beside still waters, and along paths of righteousness in which our souls are restored. When we walk through the valley of the shadow of death, may we feel Thy presence near and in the assurance of Thy love find deliverance in the midst of our distresses.

Fill our hearts with such a faith in Thee, that by night and by day, at all times and in all seasons we may commit ourselves and those near and dear to us to Thy never-failing compassion and to Thy never-faltering mercy. Thus, may Thy goodness and Thy mercy follow us all the days of our lives, and in spirit may we dwell in Thy house forevermore. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13448. An act to amend title 39, United States Code, with respect to mailing privileges of members of the United States Armed Forces and other Federal Government personnel overseas, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 699. An act to amend the Civil Service Retirement Act so as to provide for inclusion of certain periods of reemployment of annuitants for the purpose of computing annuities of their surviving spouses; and

S. 2747. An act to authorize conclusion of an agreement with Mexico for joint measures for solution of the lower Rio Grande salinity problem.

## NATIONAL HIGHWAY SAFETY PROGRAM

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3052) to provide for a coordinated national highway safety program through financial assistance to the States to accelerate highway

traffic safety programs, and for other purposes, with the House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none and appoints the following conferees: Messrs. KLUCZYNSKI, WRIGHT, EDMONDSON, SWEENEY, HOWARD, CRAMER, HARSHA, and DON H. CLAUSEN.

## DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 14596, the Department of Agriculture appropriation bill for the fiscal year ending June 30, 1967.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## CONFERENCE REPORT (H. REPT. NO. 1867)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) "making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 13, 22, 24, 26, 28, 29, 32, 34, 43, 46, 47, and 51.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 9, 10, 12, 14, 15, 16, 17, 20, 30, 33, 36, 37, 39, 41, 44, 50, 52, and 54; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$123,402,500"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,169,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,580,200"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$80,263,900"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$51,113,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$58,740,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,132,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$13,511,750"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$51,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$165,855,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$21,218,500"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,502,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,412,500"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "of which \$30,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural



electrification program"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Of which \$15,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Of which \$25,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,446,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,100,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$475,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 25 and 31.

JAMIE L. WHITTEN,  
WILLIAM H. NATCHER,  
W. R. HULL, JR.,  
THOMAS G. MORRIS,  
GEORGE MAHON,  
ROBERT H. MICHEL,  
ODIN LANGEN,  
FRANK T. BOW,

*Managers on the Part of the House.*

SPESSARD L. HOLLAND,  
RICHARD B. RUSSELL,  
ALLEN J. ELLENDER,  
MILTON R. YOUNG,  
KARL E. MUNDT,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

#### DEPARTMENT OF AGRICULTURE Agricultural Research Service

Amendments Nos. 1 through 4—Research: Appropriate \$123,402,500 instead of \$120,673,000 as proposed by the House and \$123,844,600 as proposed by the Senate.

The amount agreed to includes \$11,169,000 for planning and construction of facilities instead of \$10,619,000 as proposed by the House and \$11,869,000 as proposed by the

Senate. The increase over the House includes: Southern Piedmont Research Center, \$175,000; feasibility study at Rapid City, S. Dak., \$25,000; laboratory-office facilities at Canal Point, Fla., \$100,000; and modernization of greenhouses at Beltsville, Md., \$250,000.

The amount provided also includes increases of \$356,600 for staffing research facilities and \$2,644,000 for acceleration of research activities listed on pages 6 and 7 of the Senate report. The proposed Senate reduction of \$1,435,600 for research activities was reduced to \$821,100 by the conferees to provide for the retention of the following research facilities: Sheep breeding, Fort Wingate, N. Mex., \$88,900; swine research, Miles City, Mont., \$25,300; brucellosis research, St. Paul, Minn., \$5,400; flax research, Brawley, Calif., \$35,000, and Brookings, S. Dak., \$21,500; cotton research, Brawley, Calif., \$10,800; corn borer research, Ankeny, Iowa, \$79,900; insect research, Brownsville, Tex., \$22,000; soil and water conservation and engineering research, Auburn, Ala., \$20,000; wind damage research, Blacksburg, Va., \$2,000; wheat research, Peoria, Ill., \$303,700.

The conferees agreed to the Senate language limiting future budget estimates for transfers from section 32 for research to \$15,000,000.

Amendments Nos. 5 and 6—Plant and animal disease and pest control: Appropriate \$80,263,900 instead of \$76,764,000 as proposed by the House and \$81,498,200 as proposed by the Senate, and eliminate Senate language authorizing the use of \$100,000 for planning. The increase includes an additional \$2,047,000 for fire ant eradication and three-fourths of the amount for each project added by the Senate, except for the \$100,000 for planning at Clifton, N.J. The conferees expect that the full \$5,350,000 included for the fire ant eradication program and the funds added for the pink bollworm and bollweevil outbreak in California will be fully matched by funds from State and local sources.

Amendment No. 7—Special foreign currency program: Appropriate \$4,500,000 instead of \$3,000,000 as proposed by the House and \$6,000,000 as proposed by the Senate.

#### Cooperative State Research Service

Amendments Nos. 8 through 11—Payments and expenses: Appropriate \$58,740,000 instead of \$55,227,000 as proposed by the House and \$60,740,000 as proposed by the Senate, including increases of \$3,000,000 for Hatch Act pay adjustments, \$500,000 for cooperative forestry research, and \$13,000 for administration.

#### Extension Service

Amendments Nos. 12 through 14—Payments to States and Puerto Rico: Appropriate \$78,917,500 as proposed by the Senate instead of \$75,917,500 as proposed by the House. The increase of \$3,000,000 is provided for pay adjustments needed to keep salaries in line with those in Federal and other related activities.

#### Soil Conservation Service

Amendment No. 15—Watershed protection: Appropriate \$70,000,000 as proposed by the Senate instead of \$67,020,000 as proposed by the House. The increase over the House bill includes \$980,000 for river basin surveys and \$2,000,000 for work on Public Law 566 watersheds. The conferees also are in agreement that new planning starts should be restored to 100 in fiscal year 1967 and that new construction starts should be increased above 80 to the extent necessitated by the increase in construction funds included in the bill.

Amendment No. 16—Great Plains conservation program: Appropriate \$18,500,000 as proposed by the Senate instead of \$16,112,000 as proposed by the House.

Amendment No. 17—Resource conservation and development: Appropriate \$4,574,000 as proposed by the Senate instead of \$4,347,000 as proposed by the House.

#### Economic Research Service

Amendment No. 18—Salaries and expenses: Appropriate \$12,132,000 instead of \$12,032,000 as proposed by the House and \$12,182,000 as proposed by the Senate. The increase includes \$50,000 for research in Appalachia, and \$50,000 for studies of rural income and conditions.

#### Statistical Reporting Service

Amendment No. 19—Salaries and expenses: Appropriate \$13,511,750 instead of \$13,272,000 as proposed by the House and \$13,575,000 as proposed by the Senate. The increase includes \$121,500 for farm employment and wage data; \$10,000 for estimates of mushroom production; \$40,000 for reporting service in Nevada; \$26,250 for Hawaii estimates; and \$42,000 for estimates on cut flowers.

#### Consumer and Marketing Service

Amendment No. 20—Consumer protective, marketing, and regulatory programs: Appropriate \$83,881,000 as proposed by the Senate instead of \$82,757,000 as proposed by the House.

Amendments Nos. 21 and 22—Special milk program: Provides a total of \$104,000,000 instead of \$103,000,000 as proposed by the House and \$105,000,000 as proposed by the Senate. Of the amount agreed to, \$51,000,000 is provided by direct appropriation and \$53,000,000 is provided by transfer from section 32 as originally proposed by the House.

As a result of action by the conferees, an additional \$146,000,000 in section 32 funds will be returned to the Treasury. Further, funds available to section 32 will be sufficient to cover all program operations required by basic law in fiscal year 1967 and will provide a carryover balance of \$300,000,000 into next year as permitted by law.

Amendments Nos. 23 and 24—School lunch program: Appropriate \$165,855,000 instead of \$157,000,000 as provided by the House and \$169,500,000 as provided by the Senate. The amount agreed to will provide an average 5 cents per meal for 3,235.4 million lunches expected to be served in the coming school year.

Amendments Nos. 25 and 26—Food stamp program: Provide a total of \$140,000,000, of which \$110,000,000 is by direct appropriation and \$30,000,000 is from unused prior year balances. The conferees have omitted from the bill the language included in Senate amendment No. 26 prohibiting the use of section 32 funds to finance this program in the future since such prohibition appears in the basic act. Those responsible for planning and financing this program should take account of this in the future.

#### Foreign Agricultural Service

Amendment No. 27—Salaries and expenses: Appropriate \$21,218,500 instead of \$21,088,000 as proposed by the House and \$21,349,000 as proposed by the Senate.

#### Agricultural Stabilization and Conservation Service

Amendments Nos. 28 and 29—Expenses, Agricultural Stabilization and Conservation Service: Appropriate \$128,558,000 as proposed by the House instead of \$130,424,500 as proposed by the Senate and authorizes a transfer from the Commodity Credit Corporation of \$75,803,600 as proposed by the House instead of \$77,545,000 as proposed by the Senate.

Amendments Nos. 30 and 31—Appalachian region conservation program: Appropriate \$3,000,000 as proposed by the Senate instead of \$2,200,000 as proposed by the House and provides for the use of up to \$1,375,000 of prior year balances.

Amendment No. 32—Cropland conversion program: Appropriate \$7,500,000 as proposed by the House instead of \$10,000,000 as proposed by the Senate.

Amendment No. 33—Cropland adjustment program: Appropriate \$50,000,000 as pro-



posed by the Senate instead of \$90,000,000 as proposed by the House.

#### *Rural Community Development Service*

Amendment No. 34—Salaries and expenses: Appropriates \$637,000 as proposed by the House instead of \$2,500,000 as proposed by the Senate. Expansion of this agency has not been approved by the Congress.

#### *Packers and Stockyards Act*

Amendment No. 35—Appropriates \$2,502,000 instead of \$2,400,000 as proposed by the House and \$2,604,000 as proposed by the Senate.

#### *Office of Information*

Amendments Nos. 36 and 37—Salaries and expenses: Appropriate \$1,851,000 as proposed by the Senate instead of \$1,826,000 as proposed by the House and increase the amount available for the Yearbook of Agriculture.

#### *National Agricultural Library*

Amendment No. 38—Salaries and expenses: Appropriates \$2,412,500 instead of \$2,147,000 as proposed by the House and \$2,501,000 proposed by the Senate.

#### *Rural Electrification Administration*

Amendments Nos. 39 through 42—Loan authorizations: Authorize electrification loans of \$375,000,000 and telephone loans of \$117,000,000 as proposed by the Senate, and reinstate contingency reserves in the amounts of \$30,000,000 for electrification loans and \$15,000,000 for telephone loans.

Amendment No. 43—Salaries and expenses: Appropriates \$12,202,000 as proposed by the House instead of \$12,302,000 as proposed by the Senate.

#### *Farmers Home Administration*

Amendments Nos. 44 and 45—Direct loan account: Authorizes loans of \$350,000,000 as proposed by the Senate instead of \$300,000,000 as proposed by the House, and reinstate contingency reserve in the amount of \$25,000,000. The additional funds are to meet the ever expanding need for operating loans.

Amendment No. 46—Rural housing for domestic farm labor: Reinstates House language limiting financial assistance under this program to "public nonprofit organizations".

Amendment No. 47—Salaries and expenses: Appropriates \$51,057,000 as proposed by the House, including \$400,000 for rural community development work in the field, instead of \$51,000,000 as proposed by the Senate.

The purpose of the Farmers Home Administration and its predecessor agencies since the 1930's has been (1) to enable rural people with financial difficulties to get a new start in farming or to expand their existing operations to improve their economic position, and (2) through close personal contact and supervision to enable borrowers who have no other source of credit to learn the fundamentals of successful financial management so as to improve their financial position and eventually return them to other regular sources of credit. This close contact with borrowers has resulted in an outstanding repayment record by FHA borrowers. Under present conditions, this close supervision of borrowers may become even more important to the success of this program.

The managers on the part of the House agree that the Department should study the possibility of reducing administrative costs in this agency through simplifying billing and collection procedures. They recognize that follow-up advice and assistance is necessary for some borrowers, while for others direct billing and collection of repayments may be feasible, particularly in view of the recent purchase of a computer by this agency. The Department is encouraged to carefully review this situation and take steps to reduce costs but at the same time take care to maintain the continued excellent repayment record of FHA borrowers. The Department should also carefully review the results of the dispersal

of appraisal activities to county offices to be sure that the interests of both the borrower and the Government are adequately protected.

#### *Federal Crop Insurance Corporation*

Amendments Nos. 48 and 49—Administrative and operating expenses: Appropriate \$8,446,000 instead of \$8,342,000 as proposed by the House and \$8,546,000 as proposed by the Senate, and authorize the use of premium income for administrative and operating expenses in the amount of \$4,100,000 instead of \$4,150,000 as proposed by the House and \$4,000,000 as proposed by the Senate.

#### *Commodity Credit Corporation*

Amendments Nos. 50 and 51—Reimbursement for net realized losses: Appropriate \$3,555,855,000 as proposed by the Senate instead of \$3,500,000,000 as proposed by the House, and restores House language which prohibits Public Law 480 sales to nations which supply or transport goods to North Vietnam.

Amendment No. 52—International Wheat Agreement: Eliminates a separate appropriation for this purpose as proposed by the Senate. Wheat export payments will be financed in the future by the Commodity Credit Corporation under its commodity export authority and reimbursement will be included as a part of the annual reimbursement to the Corporation's capital funds.

#### *Farm Credit Administration*

The conferees have agreed that language on page 63 of the Senate committee report relating to retirement credit is a nullity.

#### *National Advisory Commission on Food and Fiber*

Amendment No. 53—Expenses: Appropriates \$475,000 instead of \$350,000 as proposed by the House and \$600,000 as proposed by the Senate.

#### *General Provisions*

Amendment No. 54—Section 501: Authorizes the replacement of 434 passenger motor vehicles as proposed by the Senate instead of 421 as proposed by the House.

JAMIE L. WHITTEN,  
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*Managers on the Part of the House.*

### WATER RESOURCE DEVELOPMENT

Mr. ASPINALL. Mr. Speaker, I present a conference report on the bill S. 3034, to authorize the Secretary of the Interior to engage in studies of the feasibility of certain water resource development projects, for printing under the rule.

The SPEAKER. Without objection, the conference report is ordered printed. There was no objection.

#### CONFERENCE REPORT (H. REPT. No. 1865)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Bill (S. 3034) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource development proposals, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following:

"That the Secretary of the Interior is hereby authorized—

"(a) to perform such additional analysis and studies as may be required on the following proposals which are pending before the Congress:

#### "Region 1

"Chief Joseph Dam project, Chelan division, Manson unit, along Lake Chelan in north-central Washington;

"Columbia Basin project, third powerplant, on the Columbia River at Grand Coulee Dam in Washington;

"Rogue River Basin project, Merlin division, on Jumpoff Joe Creek, a tributary of the Rogue River, in southwestern Oregon;

"Tualatin project, first phase, on the Tualatin River, near the city of Portland, Oregon;

"Walla Walla project, Touchet division, on the Touchet River in southeastern Washington;

"Yakima project, Kennewick division extension, near the mouth of the Yakima River in south-central Washington.

#### "Region 3

"Lower Colorado River Basin project, in the Lower Colorado River Basin in Arizona, California, New Mexico, Nevada, and Utah.

#### "Region 5

"Canton project on the Canadian River below the existing Canton Reservoir in northwestern Oklahoma;

"Columbus Bend project on the Lower Colorado River Basin in Texas;

"Palmetto Bend project on the Lavaca and Navidad Rivers in Texas.

#### "Region 7

"Missouri River Basin project, Midstate division, on the north side of the Platte River in central Nebraska;

"Missouri River Basin project, North Loup division, on the North Loup and Loup Rivers in east-central Nebraska; and

"(b) to complete his analysis and studies and to prepare and process reports on the following proposals, which he anticipates will be completed or substantially completed on or before June 30, 1966:

#### "Region 1

"Challis project, Challis Creek division, on Challis Creek in southern Idaho;

"Rathdrum Prairie project, Prairie division, East Green-acres unit in Idaho, along the Idaho-Washington State line east of Spokane, Washington;

"Rogue River Basin project, Illinois Valley division, on the Illinois River, a tributary of the Rogue River, in southwestern Oregon;

"Southwest Idaho water development project, Mountain Home division, in the Snake River Basin near the cities of Boise and Mountain Home, Idaho;

"Umpqua River project, Olalla division, on Olalla and Lookingglass Creeks in the south Umpqua Basin in southwestern Oregon;

"Upper Snake River project; upper Star Valley division, on Salt River and Cow Creek, near the town of Afton, Wyoming;

"Willamette River project, Monmouth-Dallas Division, on the west side of the Willamette River in the vicinity of Monmouth and Dallas, Oregon;

"Willamette River project, Red Prairie division, along the South Yamhill River near the town of Sheridan, Oregon;

"Yakima project, Bumping Lake enlargement, on Bumping River in the Yakima River Basin in Washington.

#### "Region 2

"Central Valley project, Cosumnes River division, initial phase, in and adjacent to the Cosumnes River Basin east of Sacramento, California;

"Central Valley project, Delta division, peripheral canal, in the Sacramento-San Joaquin Delta in California;



"Central Valley project, Delta division, Kellogg unit, south of the city of Antioch, California;

"Central Valley project, east side division, initial phase, on the east side of the San Joaquin Valley from the American River on the north to the foothills of the Tehachapi Mountains south of the Kern River;

"Central Valley project, Sacramento River division, West Sacramento canal unit, on the west side of the Sacramento River Valley and in the Putah Creek Basin in California;

"Central Valley project, San Felipe division, in the Santa Clara and Pajaro River Basins in the central coastal area of California;

"Sespe Creek project, on the Santa Clara River and tributaries in southern California;

"Walker River project on the Walker River in west-central California and east-central Nevada.

#### "Region 4

"Bear River project, first phase, on the Bear River and its tributaries in north-central Utah and southeastern Idaho.

#### "Region 5

"Chikaskia project on the Chikaskia River in south-central Kansas and north-central Oklahoma;

"Cuero project on the Guadalupe River in south-central Texas;

"Liberty Bottoms project on the Red River below Denison Dam in south-central Oklahoma;

"San Luis Valley project, Closed Basin division, in the Rio Grande Basin in south-central Colorado.

#### "Region 6

"Missouri River Basin project, James division, Oahe unit (exclusive of Mitchell area), involving the diversion of water from the existing Oahe Reservoir into the James River Valley;

"Missouri River Basin project, South Dakota pumping division, Tower, Greenwood, and Yankton units, on the Missouri River in southeastern South Dakota;

"Missouri River Basin project, South Dakota pumping division, Wagner unit on the Missouri River in the vicinity of Fort Randall Dam in southeastern South Dakota;

"Missouri River Basin project, Three-Forks division, Jefferson and Whitehall units on the Big Hole and Jefferson Rivers above Canyon Ferry Dam in southwestern Montana;

"Missouri River Basin project, Three-Forks division, West Bench unit, on the Big Hole River in southwestern Montana near the town of Dillon;

"Missouri River Basin project, White division, Pine Ridge unit, on the White River in southwestern South Dakota.

#### "Region 7

"Mirage Flats project on the upper Niobrara River near Hay Springs, Nebraska;

"Missouri River Basin project, Cedar Rapids division, on the Cedar and Loup Rivers near Spalding, Nebraska;

"Missouri River Basin project, lower Niobrara division, O'Neill unit, on the lower Niobrara River in north-central Nebraska,

"Missouri River Basin project, Smoky Hill division, Ellis unit, on Big Creek in west-central Kansas;

"Missouri River Basin project, South Platte division, Narrows Unit, on the South Platte River near Fort Morgan, Colorado.

"Sec. 2. The Secretary is authorized to continue feasibility studies on the following proposals, which are presently under study and which will require further study:

#### "Region 1

"Burnt River project, Dark Canyon division, on the Burnt River in west-central Oregon;

"Chief Joseph Dam project, Okanogan-Similkameen division, Okanogan unit, on the Okanogan River in north-central Washington;

"Deschutes project, Central division, in the Deschutes and Crooked River Basins in central Oregon;

"Flathead River project, encompassing the Flathead River Basin in northwestern Montana;

"Grand Ronde project on the Grande Ronde River in northeastern Oregon;

"Rogue River Basin project, Applegate Valley division, on Applegate Creek, a tributary of the Rogue River, near the city of Grants Pass, Oregon;

"Rogue River Basin project, Medford division, on the Rogue River in the vicinity of the town of Medford, Oregon;

"Southwest Idaho water development project, Garden Valley division, along the Payette River and in the general vicinity of Boise, Idaho;

"Southwest Idaho water development project, Weiser River division, in the Weiser River Basin in Idaho;

"Umatilla Basin project, encompassing the Umatilla River Basin, centering near the town of Pendleton, Oregon;

"Upper Snake River project, American Falls Dam replacement on the Snake River near the city of American Falls, Idaho;

"Upper Snake River project, Lynn Crandall division, on the Snake River below Palisades Dam in southern Idaho;

"Upper Snake River project, Salmon Falls division, south of the Snake River, near the city of Twin Falls, Idaho;

"Upper Snake River project, Snake Plains recharge division, encompassing the Snake River Plains area north of the Snake River in southern Idaho;

"Walla Walla project, Marcus Whitman and Milton-Freewater divisions, in the Walla Walla River Basin in northeastern Oregon and southeastern Washington;

"Willamette River project, Carlton division, on the Yamhill River in northwestern Oregon;

"Willamette River project, Molalla division, on the Molalla and Pudding Rivers in northwestern Oregon;

"Yakima project, Ahtanum unit, on Ahtanum Creek in the Yakima River Basin in Washington.

#### "Region 2

"Central Valley project, American River division, Placerville Ridge unit, between the South Fork American River and the North Fork Cosumnes River east of Sacramento, California;

"Central Valley project, American River division, Pleasant Oaks unit, between the South Fork American River and the North Fork Cosumnes River east of Sacramento, California;

"Central Valley project, Cosumnes River division, Fair Play unit, on the Middle Fork Cosumnes River east of Sacramento, California;

"Central Valley project, East Side division, ultimate phase, on the east side of the San Joaquin Valley from the American River on the north to the foothills of the Tehachapi Mountains south of the Kern River;

"Central Valley project, Pit River division, Allen Camp unit, on the Pit River northeast of Redding, California;

"Central Valley project, Stanislaus River division, Sonora-Keystone unit, on the Stanislaus River in the general vicinity of Sonora, California;

"Lompoc project on the lower Santa Ynez River in southern California;

"North Coast project, Eel River division, English Ridge unit, on the upper Eel River and in the Putah Creek and adjacent areas north of San Francisco Bay, California.

"North Coast project, Eel River division, Knights Valley unit in the Russian River Basin and adjacent areas north of San Francisco Bay, California;

"North Coast project, Eel River division, ultimate phase, in the Eel River Basin in northwestern California with facilities for

the diversion of excess water into the Central Valley Basin;

"North Coast project, Lower Klamath River division, in the lower Klamath River Basin in northwestern California with facilities for the diversion of excess water into the Central Valley Basin;

"North Coast project, Lower Trinity River division (exclusive of Paskenta-Newville Reservoir), encompassing that portion of the Trinity River Basin below the existing Lewiston Dam of the Central Valley project, the upper portion of the Mad and Van Duzen Rivers and the west side tributaries of the Sacramento River in California;

"North Coast project, lower Trinity River division, Paskenta-Newville Dam and Reservoir on Stony and Thomas Creeks in the Sacramento River Basin in California;

"Ventura River project extension in the Ventura River Basin near Ventura, California;

"Washoe project, Hope Valley division, on the Carson River in California and Nevada;

"Washoe project, Newlands extension division on the lower Carson River near the city of Fallon, Nevada.

#### "Region 3

"Black River-Springerville-Saint Johns project on the Black River and Little Colorado River near Springerville and Saint Johns, Arizona;

"Boulder Canyon project, All-American Canal system water salvage, Coachella division, on the Coachella Canal in southern California;

"Boulder Canyon project, All-American Canal system water salvage, Imperial division, on the All-American Canal and the Imperial Valley distribution system in southern California;

"Flagstaff-Williams project, near the cities of Flagstaff and Williams, Arizona;

"Kingman project, on the Colorado River and near the city of Kingman, Arizona;

"Moapa Valley pumping project in the Muddy River Basin in southern Nevada;

"San Pedro-Santa Cruz project in the San Pedro and Santa Cruz River Basins in southeastern Arizona;

"Upper Gila River project on the Gila River and its tributaries in western New Mexico and eastern Arizona.

#### "Region 4

"Bear River project, second phase, on the Bear River and its tributaries in north-central Utah and southeastern Idaho;

"Central Utah project, ultimate phase, Uintah unit, on the Whiterock and Uinta Rivers in northeastern Utah.

#### "Region 5

"Brantley project on the Pecos River upstream from Carlsbad, New Mexico;

"Cibola project on Cibola Creek in the San Antonio River Basin in Texas;

"Eastern New Mexico water supply project in northeastern New Mexico;

"Nueces River project on Frio River in the Nueces River Basin in the vicinity of Corpus Christi, Texas;

"Portales project near the town of Portales in eastern New Mexico;

"Rio Grande water salvage project, New Mexico division, on the Rio Grande River between the Colorado-New Mexico State line, and the existing Caballo Reservoir;

"Texas Basins project, encompassing the gulf coastal streams of Texas extending from the Sabine River on the north to the Rio Grande on the south.

#### "Region 6

"Missouri River Basin project, Big Horn Basin division, Shoshone extension unit, Polecat Bench area, in northwestern Wyoming near the city of Powell;

"Missouri River Basin project, Cannonball division, Mott unit, on the Cannonball River in southwestern North Dakota;







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued August 25, 1966  
For actions of August 24, 1966  
89th-2nd; No. 141

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriations bill. House committee voted to report bill to amend Federal Seed Act and cotton processors loans bill. Rep. Dague spoke in opposition to rural community development bill. Senate committee voted to report food for freedom bill. (continued on page 5)

### HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 14596.(pp. 19503-8, 19641-4). This bill will now be sent to the President. (See Digest No. 140 for table showing changes agreed upon.)
2. RECREATION. The Interior and Insular Affairs Committee reported with amendment S. 3510, to authorize the Secretary of the Interior to study the feasibility and desirability of the Connecticut River National Recreation Area (H. Rept. 1870). p. 19576



3. TRANSPORTATION. Received the conference report on S. 3700, the urban mass transportation bill (H. Rept. 1869). p. 19576  
Began debate on H. R. 15963, to establish a Department of Transportation. pp. 19509-33
4. SEED. The Agriculture Committee voted to report (but did not actually report) H. R. 15662, to amend the Federal Seed Act. p. D801
5. COTTON. The Agriculture Committee voted to report (but did not actually report) H. R. 16888, to provide assistance to first processors of cotton who have suffered substantial losses because of the economic impact of cotton programs of this Department. p. D801
6. DISASTER RELIEF. A subcommittee of the Public Works Committee approved for full committee consideration S. 1861, to provide additional assistance to areas suffering a major disaster. p. D802
7. PERSONNEL. The Ways and Means Committee reported H. R. 16774, to continue for a temporary period certain existing rules relating to the deductibility of accrued vacation pay (H. Rept. 1885). p. 19577  
The House Administration Committee voted to report (but did not actually report) S. 1474, to create a bipartisan commission to study Federal laws limiting political activity by officers and employees of Government. p. D801
8. MILITARY CONSTRUCTION. Received the conference report on S. 3105, the military construction bill, which includes a provision to reimburse CCC for family housing (H. Rept. 1887). p. 19577
9. WORLD FARM CENTER. The Agriculture Committee voted to report (but did not actually report) H. Con. Res. 313, to endorse the concept of a World Farm Center. p. D801
10. WATER RESOURCES. Agreed to the conference report on S. 3034, to authorize the Interior Department to engage in studies of the feasibility of certain water resource development proposals. pp. 19508-9
11. WATERSHEDS. Received from the Agriculture Committee work plans for various watershed projects. pp. 19499-500
12. TRAFFIC SAFETY. Conferees were appointed on S. 3005, to establish motor vehicle safety standards. Senate conferees have already been appointed. p. 19508
13. POVERTY. Rep. Sikes criticized "the reckless spending under the poverty program." p. 19500
14. RURAL COMMUNITY DEVELOPMENT. Rep. Dague spoke in opposition to S. 2934, the rural community development districts bill. p. 19501
15. FOOD PRICES. Rep. Gerald R. Ford inserted an article which criticizes Secretary Freeman's statement to Democratic congressional candidates on food prices. p. 19557
16. VEHICLES. Received from the Comptroller General a report of potential reductions in cost of automotive travel by Federal employees where use of Government-owned vehicles is feasible; to Government Operations Committee. p. 19576



House and \$806,900,000 as proposed by the Senate. The conferees agreed that only \$1,600,000 shall be available for management studies.

*Operation and maintenance, Air National Guard*

Amendment No. 11: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment. The amendment provides language requiring the retention of the present twenty-five airlift squadrons.

TITLE III—PROCUREMENT

*Procurement of equipment and missiles, Army*

Amendment No. 12: Appropriates \$3,483,300,000 as proposed by the Senate instead of \$3,484,500,000 as proposed by the House.

*Procurement of aircraft and missiles, Navy*

Amendment No. 13: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment providing that no part of the funds in this bill shall be available for the procurement of F-111B aircraft, with an amendment which will permit advance procurement of equipment, the total cost of which shall not exceed \$7,800,000.

*Shipbuilding and conversion, Navy*

Amendment No. 14: Appropriates \$1,756,700,000 as proposed by the House instead of \$1,909,700,000 as proposed by the Senate.

Amendments Nos. 15 and 16: Delete language proposed by the Senate to provide that, of the funds appropriated under this heading, \$130,500,000 would be available only for the construction of a nuclear powered guided missile frigate and \$20,000,000 would be available only for the procurement of long leadtime items for an additional nuclear powered guided missile frigate.

*Aircraft procurement, Air Force*

Amendment No. 17: Appropriates \$4,017,300,000 instead of \$4,032,300,000 as proposed by the House and \$3,992,300,000 as proposed by the Senate. The committee of conference in agreeing to this sum has approved the amount of \$55,000,000 for the F-12 aircraft program, as proposed by the House, and have agreed to the reduction of \$15,000,000 in the A-7 aircraft program as proposed by the Senate.

Amendments Nos. 18 and 19: Delete language proposed by the Senate that, of the funds appropriated under this heading, \$30,000,000 would be available only for the F-12 aircraft program and \$16,000,000 would be available only for the procurement of CX-2 (aeromedical transport) aircraft.

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

*Research, development, test, and evaluation, Navy*

Amendment No. 20: Appropriates \$1,758,600,000 as proposed by the Senate instead of \$1,753,600,000 as proposed by the House. The \$10,000,000 provided above the budgeted amount is the sum of an increase of \$7,500,000 for Anti-Submarine Warfare development and an increase of \$2,500,000 for the Deep Submergence Systems project.

Amendment No. 21: Makes the total amount of \$24,000,000 provided for the Deep Submergence System project, including the \$21,500,000 budgeted and the \$2,500,000 increase, available only for the Deep Submergence Systems project instead of \$26,500,000 as proposed by the House and \$21,500,000 as proposed by the Senate.

*Research, development, test, and evaluation, Air Force*

Amendment No. 22: Appropriates \$3,112,600,000 as proposed by the Senate instead of \$3,062,600,000 as proposed by the House.

The \$50,000,000 increase is for the Manned Orbiting Laboratory program.

Amendment No. 23: Provides that the total sum of \$200,000,000 provided for the Manned Orbiting Laboratory program, including the \$150,000,000 budgeted and the \$50,000,000 added, shall be available only for the Manned Orbiting Laboratory program as proposed by the Senate.

TITLE VI—GENERAL PROVISIONS

Amendment No. 24: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur with an amendment which will provide a per-pupil limitation of \$475 for the dependents overseas education program. The amendment will include language preserving pay rates in effect on June 30, 1966.

Amendment No. 25: Strikes language proposed by Senate relating to purchase of milk.

Amendment No. 26: Restores monthly reporting requirement as contained in House bill relating to use of Section 612 authorities.

Amendment No. 27: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur with an amendment which will provide quarterly reports to Congress on the use of deficiency authorities contained in Section 3732 of the Revised Statutes.

Amendment No. 28: Strikes language proposed by House providing differing allowances for the shipment of household goods for differing pay grades leaving a single maximum allowance of 13,500 pounds as proposed by the Senate.

Amendment No. 29: Reported in technical disagreement. It is the intention of the managers on the part of the House to offer a motion to recede and concur in the Senate amendment permitting appropriations to be used for the purchase of house trailers solely for the purpose of relieving unusual individual losses occasioned by the relocation of personnel from installations in France.

Amendment No. 30: Provides limitation of \$11,746,000 as proposed by Senate instead of \$12,647,300 as proposed by House on funds available for the hire of motor vehicles.

Amendment No. 31: Strikes language proposed by the Senate and restores House language concerning research grant costs.

Amendment No. 32: Inserts language as proposed by Senate providing that none of the funds shall be available for expenses of the Special Training Enlistment Programs.

Amendment No. 33: Changes section number.

GEORGE MAHON,  
ROBERT L. F. SIKES,  
JAMIE L. WHITTEN,  
GEORGE W. ANDREWS,  
DANIEL J. FLOOD,  
GLENARD P. LIPSCOMB (except amendments 1, 2, 3, and 4),  
MELVIN R. LAIRD (except amendments 1, 2, 3, and 4),  
WILLIAM E. MINSHALL (except amendments 1, 2, 3, and 4),  
FRANK T. BOW (except amendments 1, 2, 3, and 4),  
*Managers on the Part of the House.*

MAKING IN ORDER CONSIDERATION OF A JOINT RESOLUTION FOR CONTINUING APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order any day next week to consider a joint resolution making continuing appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1967—CONFERENCE REPORT

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For the conference report and statement, see proceedings of the House of August 23, 1966.)

Mr. WHITTEN. Mr. Speaker, I have the privilege today of submitting the conference report on the bill H.R. 14596. I am pleased to say that we were able to agree with the Senate in one afternoon and the conference report I submit to you has been agreed to by all the conferees, including Congressmen WHITTEN, NATCHER, HULL, MORRIS, MAHON, MICHEL, LANGEN, and Bow on the House side, and Senators HOLLAND, RUSSELL, ELLENDER, YOUNG, and MUNDT on the Senate side.

Mr. Speaker, I have quite a bit of pride in this conference report, for it represents the action of the Congress in the true spirit of the Constitution. The Constitution, you know, provides for three divisions of the Government: the executive, the judicial, and the legislative. Insofar as those of us in the House are concerned, we are "Representatives" in the Congress. No one can appoint us. We must be elected by the people. This leaves us with the obligation of representing truly the interests of the people.

Members will recall that in the original budget submission, drastic cuts were recommended for the school lunch program, the special milk program, the watershed programs, some 94 research facilities through the country, control and eradication of various insects and diseases, including fire ant, phony peach, and peach mosaic, soybean cyst nematode, sweetpotato weevil, barberry, golden nematode, gypsy moth, witchweed, brucellosis, and scabies, research at the State experiment stations, the Extension Service, the REA, the ACP, and many other programs. The budget, in turn, recommended large increases in funds to be handled at the discretion of the Secretary.

Members of your Subcommittee on Appropriations considered these recommendations by the executive department,



as we should. After consideration, we differed with the budget and put the money back where it has been through the years and where it has contributed so much toward maintaining and restoring the natural resources of our Nation, toward feeding our people, and toward making a market for our industry and labor, including making possible the highest standard of living ever known in history. As a result, the American people spend a smaller percentage for food and clothing; fewer of them have to till the soil, leaving more than 92 percent who are free to provide these other things.

Mr. Speaker, truly this is a case of the legislative body reasserting its right as it should. I am proud to submit this report to you here today.

Mr. Speaker, I have served on the Appropriations Committee for many years. In fact, only 2 Members have served on the 50-man Appropriations Committee longer than I, Chairman GEORGE MAHON, of Texas, and MIKE KIRWAN, of Ohio.

Mr. Speaker, as you know it is my privilege to also serve on the Appropriations Subcommittee on Public Works, which provides funds for the Atomic Energy Commission, the TVA, with its water control and power program for its region, and for every river and harbor in the United States.

Truly, Mr. Speaker, with all the problems we have today, it is a great privilege to stand here and lead the fight to look after the development and protection of our resources at home, including the public health, for it is on these things that all else depends.

We have in this conference report restored and increased the following programs of the Department:

RESEARCH	
Facilities proposed for elimination or reduction—Amount restored .....	\$4, 580, 200
Other increases .....	10, 842, 300
Total .....	15, 422, 500
DISEASE AND PEST CONTROL	
Programs proposed for elimination or reduction—Amount restored .....	7, 803, 100
Other increases added .....	2, 712, 800
Total .....	10, 515, 900
STATE EXPERIMENT STATIONS	
Hatch Act funds and grants for facilities—Amount restored ..	10, 245, 000
Other increases (net) .....	755, 000
Total .....	11, 000, 000
EXTENSION SERVICE	
Proposed budget shift of \$10,-000,000 from formula to non-formula distribution; not approved by Congress—Additional funds provided .....	3, 000, 000
SOIL CONSERVATION SERVICE	
Watershed planning: New planning starts restored to 100. Watershed protection: New construction starts restored to 80 or more. Funds restored and increased by .....	3, 441, 000
Great plains conservation funds increased by .....	2, 388, 000

#### CONSUMER AND MARKETING SERVICE

Special milk program: Funds restored to \$104,000,000, of which \$51,000,000 is provided by direct appropriation and \$53,000,000 by transfer from sec. 32—Increase over budget of .....

School lunch program: Funds restored to \$165,855,000, an increase over budget of .....

#### AGRICULTURAL CONSERVATION PROGRAM

The proposed budget cut in next year's program announcement from \$220,000,000 to \$100,000,000 (plus administrative costs of \$30,000,000) was restored by Congress to previous level of \$220,000,000—Increase over budget of .....

Reductions in less essential programs and other adjustments have made it possible to make these restorations and other essential increases and still remain below total appropriations recommended in the 1967 budget by \$28,347,850. In addition, \$146 million of section 32 funds will be returned to the Treasury based on conference action.

In addition, the following restorations and increases in loan authorizations have been included in this bill to meet clearly demonstrated and well justified additional needs for loan funds:

#### RURAL ELECTRIFICATION ADMINISTRATION

Budget proposed \$220,000,000 for electrification loans; bill contains total of \$375,000,000, an increase of .....

#### FARMERS HOME ADMINISTRATION

Bill increases authorization for operating loans from \$300,000,000 to \$350,000,000, an increase of .....

Yes, Mr. Speaker, the watershed program of this Nation is one of the finest steps we have ever taken toward leaving a rich country for our children and our children's children. I am proud that this subcommittee some years ago provided \$5 million over the President's budget in order to set up 62 pilot watersheds to show the value of this program to the people of the United States.

As our domestic needs for food and fiber increase, and as our world commitments grow, the budget recommends that we give less financial support to that segment of our economy which is the very basis for our personal well-being and the key to our national prosperity and international strength. The budget proposals would have seriously damaged American agriculture, which is the key segment in the Nation's partnership of agriculture, industry, and labor.

If the committee and the Congress were to have followed the recommendations of the 1967 budget for the Department of Agriculture, our whole economy would be endangered, as would our international commitments. If such a policy as the administration advocates were followed for only a few years, the United States would likely be a food deficit country instead of one of abundance.

Mr. Speaker, this committee has a long record of support for rural development.

It has recognized the benefits to the Nation from programs to enable people to stay on the land instead of moving into the already overcrowded towns and cities, or to return to the land, while working in towns and cities. It has realized that, if the usual conveniences were made available in nonurban areas more and more people would be attracted to live in such areas. The committee has recognized, too, the dispersion of many activities which makes rural development essential. For many years it has supported adequate funds for rural electrification, rural telephones, housing and development loans, and loans for water, recreation, drainage and other special community facilities. It has also supported efforts to encourage industrial development to provide supplemental income in rural areas.

The committee believes, however, that such programs have been handled effectively in the past through the regular established agencies of the Department, which have been working successfully with rural people through the years. These old-line agencies have the funds, qualified technicians, and established field offices to meet the needs of rural areas. They can function more effectively if additional layers of supervision are not added between Washington and the rural areas to be served.

For example, the Farmers Home Administration has been in existence for 20 years. Its predecessor agencies, the Farm Security Administration and the Resettlement Administration go back to the mid-1930's. During this period, it has made an outstanding record of service to farmers and rural communities. It makes hundreds of millions of dollars of direct and insured loans and grants each year for nearly every phase of farm and rural community life.

Action of the Department in hiring employees under regular agencies and assigning them to the RCDS program was never approved and efforts to set up a nationwide group responsible to the Secretary in this bill has been denied. Existing farm agencies can well do the job. The conferees have agreed to continue for 1 year the force in Washington to assimilate information from the various agencies and departments of Government now engaged in this program. For this purpose, \$637,000 is provided. In addition, the bill carries an extra \$400,000 for the Farmers Home Administration, that it may assign State employees to coordinate and help with rural development work through its existing field offices. Also, other agencies of the Department will cooperate in the rural development program as it affects their activities.

Rural development work has meant much to my own State where to date, 182 small towns and rural areas in 64 Mississippi counties have developed special projects for central water systems, totaling more than \$20 million, since a loan program financed by the Farmers Home Administration began less than 4 years ago.

We are making the fastest progress of any other States toward complete coverage of our rural areas with modern water systems so essential to better living standards and more prosperity for all.



Fifty-three new Mississippi rural water systems built since 1962 already are in operation, 38 others are under construction, and 65 more have been approved for early construction.

Modern water systems are important because they assure a constant supply of clean water in the homes of farm and

rural dwellers who comprise a major segment of our working force and provide room for the people in our overcrowded towns and cities.

Mississippi's economic and social progress is getting a substantial boost through this program of FHA-insured water systems becoming available to more and more rural people in the State.

The bill as presented to you today in this conference report provides total appropriations of \$6,994,590,150, which are \$28,347,850 below those proposed in the 1967 budget. The following table presents the final figures for the various titles of the bill and comparisons with final conference action:

*Department of Agriculture and related agencies appropriation bill, 1967*

Item	1966 appropriation	1967 budget estimate	Passed House	Passed Senate	Conference action	Conference action compared with—			
						1966 appropriation	Budget estimate	House	Senate
Title I, general activities.....	\$1,697,649,500	\$1,669,890,000	\$1,616,876,000	\$1,788,840,300	\$1,719,355,150	+\$21,705,650	+\$49,465,150	+\$102,479,150	-\$69,485,150
Title II, credit agencies.....	188,563,000	98,002,000	93,459,000	93,502,000	93,459,000	-95,104,000	-4,543,000	0	-43,000
Title III, corporations.....	4,493,736,000	5,254,401,000	5,165,342,000	5,181,401,000	5,181,301,000	+\$687,565,000	-73,100,000	+15,959,000	-100,000
Title IV, related agencies.....	1,500,000	645,000	350,000	600,000	475,000	-1,025,000	-170,000	+125,000	-125,000
Grand total, appropriations.....	6,381,448,500	7,022,938,000	6,876,027,000	7,064,343,300	6,994,590,150	+\$613,141,650	-28,347,850	+118,563,150	-69,753,150
Loan authorization <sup>1</sup> .....	837,000,000	702,100,000	852,000,000	932,000,000	932,000,000	+\$95,000,000	+\$229,900,000	+80,000,000	0

<sup>1</sup> Includes supplemental request of \$300,000 to Consumer and Marketing Service, consumer protective, marketing and regulatory programs for expenses pursuant to the Cotton Research and Promotion Act (Public Law 89-502).

<sup>2</sup> As result of conference action, an additional \$146,000,000 of sec. 32 funds will be returned to the Treasury.

<sup>3</sup> These are loans supported by collateral and will be repaid in full with interest.

Mr. Speaker, insofar as I know, this conference agreement meets the problems of agriculture in the best way that we know how. We are pleased to be able to work this situation out to the benefit of all concerned.

Mr. Speaker, I now yield to my colleague from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I certainly concur with the views expressed by the distinguished chairman of the subcommittee [Mr. WHITTEN]. As he pointed out, we were confronted with a real problem in trying to take care of these phony budget figures which came up here for the popular on-going programs, such as research and extension service, conservation, land-grant colleges, school lunch, school milk, and REA programs. We discussed all this at some length when the bill was here on the floor of this House and I am glad to say that the Senate when they considered the measure, obviously felt pretty much the same way we did and so our conference report reflects this general feeling and accord. Obviously, there were compromises on specific figures, such as splitting the \$2 million difference in the school milk program. A conference is giving and taking by both sides and while I would like to have seen the House stand pat on some of the figures, and giving in to the Senate, on others, we have come up with a fairly acceptable compromise, and I shall support the conference report.

Mr. Speaker, I might point out that overall our conference report is \$28,347,850 below the President's budget in direct appropriations. However, it is \$229,900,000 over the President's budget in loan authorizations. This loan authorization increase comes in three main categories: \$155 million in the rural electric field; \$32 million in rural telephones; and \$50 million in operating loans under the Farmers Home Administration. Bear in mind that these are figures over and above the loan authorization requests in the budget. It does not mean they are over that much for

the 1966 appropriations. As a matter of fact, the rural electric loan authorization is \$10 million over 1966. Telephone is \$20 million over, and these farm operating loans are \$50 million over 1966.

These figures offset by a few minor items, gives us our overall total of \$229,900,000 of loan authorizations over the President's budget. The Senate figure on rural electric cooperative loans and rural telephone loans were both accepted by the majority of the conferees, but not this one.

I might point out while on this subject, Mr. Speaker, that several Members of the House have asked me whether the conferees agreed to the statements which appear at pages 47 and 48 in Senate Report No. 1370, which accompanied the agriculture appropriation bill for fiscal 1967, relating to the policy for making REA loans for power generation and transmission. It will be recalled that both the House and Senate Appropriations Committees, in their reports on the Department of Agriculture appropriations bill for the fiscal year 1964, set forth specific directions to be complied with by the REA Administrator before approving loans for power generation and transmission. The minor differences between these reports were resolved in a statement in the House conference report on the fiscal 1964 bill, and this was concurred in by the Senate managers at that time. During the meeting of the conferees on the pending agriculture appropriation bill, H.R. 14596, there was discussion of the statements I have referred to, which appear in Senate Report No. 1370. The managers on the part of the House did not concur in the language of the Senate report. Accordingly, the result is no action by the Congress, and the directions to the REA Administrator, as set forth in the several reports already referred to on the fiscal 1964 appropriation bill for the Department of Agriculture, have not been changed or modified. These directions remain in effect.

The chairman has made reference to

several of the items which in the House-passed bill were to be funded by the use of section 32 funds, but which now will be funded with direct appropriations by virtue of the conference action. Frankly, I am glad to see these figures out in the open, such as the \$110 million of direct appropriations for the food stamp program. I should point out that there is also \$30 million reappropriated from this past fiscal year, giving us a total for the current fiscal year of \$140 million.

There is a significant change in the figures for the cropland adjustment program. We agreed upon \$50 million, a \$40 million reduction from the House-passed bill, and this now leaves us with a figure of \$100 million less than the budget request for this program.

We went along with the Senate's higher figure for restoration of capital impairment of the Commodity Credit Corporation and this will now clean up the deficiencies of all past years with the exception of 1961, which shows a deficiency of \$1,057 million. Money appropriated for this purpose, as most of you know, is in the main to make up for the losses sustained by the Commodity Credit Corporation in making its sales of surplus commodities abroad for local currencies.

Mr. Speaker, during the hearings on the original house bill and here on the floor in general debate, I pointed out that the Department had a total of nearly 30,000 vehicles as of June 20, 1965, of which about 2,600 were passenger cars and nearly 300 were station wagons and buses, and that the General Accounting Office indicated that additional vehicles were not needed. While we did accept the Senate figure to replace 434 passenger motor vehicles, as against the 421 in the House bill, we can claim some credit for the disallowance of 77 new cars requested by the Department.

In conclusion, Mr. Speaker, I should like to update the table of U.S. Department of Agriculture employees which I had included with my remarks of last April. In summary, the Department has the staggering total of 271,164 persons on the payroll in one fashion or another:



U.S. Department of Agriculture—Employees and other personnel assisting with Department programs as of June 30, fiscal years 1956–65, and estimated 1966 and 1967

Fiscal year	USDA employees				Agricultural Stabilization and Conservation Service county committees						
	(Excluding Forest Service)		Forest Service		Total	Full-time county office employees	Part-time <sup>1</sup>			Average annual employment	Cooperative extension service <sup>2</sup>
	Perma- nent full-time	Other	Perma- nent full-time	Other			County office employees	County commit- teemen	Community commit- teemen		
1956.....	48,195	17,187	9,480	14,536	89,398	(3)	(3)	9,165	82,809	21,215	13,784
1957.....	51,881	17,782	10,531	15,804	95,998	(3)	(3)	9,143	79,709	26,638	14,115
1958.....	53,345	19,470	12,219	16,105	101,139	(3)	(3)	9,165	82,335	28,529	13,807
1959.....	55,013	14,033	13,359	14,815	97,220	(3)	(3)	8,862	81,555	25,569	13,500
1960.....	54,647	12,913	14,761	16,373	93,694	(3)	(3)	9,168	81,612	21,206	14,548
1961.....	57,963	11,308	13,342	19,944	102,557	14,577	(3)	9,171	80,138	22,246	13,596
1962.....	57,028	14,835	17,476	21,172	110,511	15,754	(3)	9,183	80,001	26,078	13,722
1963.....	53,644	14,819	18,863	20,612	112,488	16,194	(3)	9,195	79,995	27,297	13,858
1964.....	58,507	11,069	18,550	20,350	108,476	15,408	412	9,195	79,356	24,182	14,833
1965.....	60,331	12,438	19,666	20,582	113,017	15,539	381	9,186	77,415	23,836	15,104
1966 estimated.....	62,825	12,021	21,550	20,379	116,775	15,242	348	9,186	75,693	24,462	15,100
1967 estimated.....	63,673	11,517	22,577	20,333	118,100	15,242	348	9,186	75,693	23,923	15,100

<sup>1</sup> In addition to regular part-time county office employees and county and community committeemen, informal employees with no regular tour of duty are appointed for temporary periods when needed. They are on call and are paid only when they actually work. As of June 30, 1965, there were 38,920 such employees on the rolls. However, historical data are not maintained for this type of employee.

<sup>2</sup> Includes State directors, assistant directors, management officers, statewide and area specialists, county supervisors, county home economics and 4-H Club agents.

<sup>3</sup> Data on number of employees not available.

<sup>4</sup> Employment at June 30, 1965, was distributed among following areas of service:

Forestry (exclusive of research).....	37,316
Soil and water resource protection and development.....	19,248
Agriculture and forestry research.....	12,076

Inspection and other marketing service for agricultural commodities.....	11,955
REA and FIAA loan programs.....	10,338
Plant and animal disease and pest control.....	6,019
Price support and other farm income stabilization programs.....	4,995
Crop and livestock estimates and other statistical and economic research services.....	3,130
Crop insurance program.....	1,336
Domestic food distribution.....	560
Foreign assistance programs.....	320
Other.....	5,724
Total.....	113,017

Mr. WHITTEN. Mr. Speaker, I yield such time as he may consume to the distinguished minority leader, the gentleman from Michigan [Mr. GERALD R. FORD].

(Mr. GERALD R. FORD asked and was given permission to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Speaker, I would like to ask the gentleman from Mississippi [Mr. WHITTEN] whether or not the net effect of the conference report is to increase potential spending over the President's budget when you include regular obligation authority and the additional loan authorization?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, as has been pointed out by my able colleague, we are above the budget submitted by the President with reference to the ceiling that is imposed each year on the authorized loans which may be made by agencies of the Department. The gentleman from Illinois [Mr. MICHEL], a member of the subcommittee, mentioned these loans which the Rural Electrification Administration and the Farmers Home Administration make. Those loans are made based upon collateral. They are secured by collateral, may I say, and they are repaid, with interest.

Mr. Speaker, through the years many folk have tried to raise the question as to whether or not this is justified. It is my judgment, in view of the present inflation, the increased cost of operations in the field of agriculture, and the drive which has been going on recently which has decreased the availability of outside financing, that the committee was thoroughly justified and I believe acted wisely in lifting these loan ceilings.

Therefore, Mr. Speaker, and I repeat, the dollar amount of appropriations for the regular continuing programs is approximately \$28 million below the

budget. The total amount that will be loaned and eventually repaid is as the gentleman from Michigan states.

Mr. GERALD R. FORD. Mr. Speaker, I applaud the gentleman from Mississippi [Mr. WHITTEN] and members of the subcommittee and the conferees for restoring the obligational authority which is necessary to supply adequately the funds for the school lunch program and for the school milk program and other programs where the President did make reductions when he submitted his budget to the Congress of the United States in January.

But, is it not fair to say that when you combine the obligational authority in the regular part of the bill and the loan authorization, the potential is there for more expenditures in fiscal year 1967 than what the President recommended at the time he submitted his budget?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, may I say to the gentleman from Michigan that we are all prone to express ourselves as we see fit. However, as the gentleman from Michigan says, the bill before us will provide taking out of the Treasury more dollars for lending purposes than were provided for in the budget submitted by the President. But, as has been pointed out, those dollars will be taken out and loaned for various purposes and will be repaid. In my judgment they represent a sound investment.

The sum total in dollars that would be withdrawn from the Treasury may be more than the Bureau of the Budget recommended. But it is in a good cause and they will be repaid. Personally through the years I have never felt it proper to consider loans that a bank makes, where they will get repayment plus interest, in the same way that the operating costs of the bank are considered. They are two separate things and

we have so classified them. I think our report and supporting tables which will appear as part of my statement here makes it quite clear what each of them are.

Mr. GERALD R. FORD. Mr. Speaker, I agree with the manner in which the gentleman from Mississippi has stated the situation.

Mr. Speaker, there is a difference between obligation authority which eventually becomes an expenditure and a loan authorization because loans will eventually be repaid for the projects or the programs that are involved.

But looking at the fiscal year 1967, from the point of view of expenditure, we would have to concede that the expenditures under the conference report potentially and probably will be greater than the budget submitted by the President.

Mr. WHITTEN. I caught, of course, in the gentleman's statement the word "potentially." I will have to agree that potentially that could be true. But may I point out that this is an increase in the loan authorization. It is not really an obligation authority—although that is one way of describing it. That money is not actually withdrawn from the Treasury until the loan is made and the notes are signed and the obligation on the part of the borrower is incurred. But potentially I would have to say that the gentleman could be correct.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. CURTIS. Mr. Speaker, I want to thank the gentleman for yielding, and also to state that I think the minority leader's analysis of this is correct.

When we compare apples with apples and oranges with oranges, I must say that this does remain beyond the President's budget. I voted against the House bill because of this very reason.



But, Mr. Speaker, I want to ask if these figures are not correct, the total figure in the House bill was \$6.876 billion; the Senate bill was \$7.064 billion. This conference report before us has a figure of \$6.994 billion. Am I correct in those figures?

Mr. WHITTEN. The gentleman is correct. I wish to point out again that \$146 million under section 32 will be returned to the Treasury under the conference report, as compared with what would have been returned to the Treasury under the House bill.

Mr. CURTIS. But I think it is accurate to state that the House bill which was \$6.8 billion has now been increased under this report to \$6.994 billion. I would observe that far from doing what the President has suggested that the Congress do, of staying within the budget, we are again going out of the budget.

Mr. WHITTEN. With reference to the figures that the gentleman is quoting he should match against the increase over the House figure fact that \$146 million will return to the Treasury under this conference report. So that the larger figure the gentleman quoted would have to be reduced by this \$146 million to be comparable.

Mr. CURTIS. I think I was giving the net figure. In other words, if you include this \$140 million, you would go well over the \$7 billion. It would go well over the \$7 billion and be right back at the Senate figure.

Here is the other comment I wanted to make. I think it is most important in these conference reports in these critical periods of fiscal problems in the administration, to give us these aggregate figures—the net figures so that we know what we are talking about. One cannot get this data that I was just setting forth in the RECORD on the net figures from the conference report.

I have noticed that other conference reports are singularly lacking in this kind of information. Let us not try to kid the Members here. Let us lay it out on the table. If this Congress wants to continue doing what it is obviously going to do—continue in these expenditures beyond the President's budget, let the leadership of this Congress bear the brunt of it. I certainly will not vote for it.

Mr. WHITTEN. I appreciate the gentleman's statement.

Mr. Speaker, may I say that today's RECORD carries the printed conference report which follows the standard form. To me it is quite plain as to what has been done. I have tried to make it plain to my colleagues.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I could not find it in the conference report, but I am informed that the Senate accepted the language of a restrictive amendment as to the funds for the Public Law 480 program in the motion of recommitment by the House. As I understand it, the conference report does not adhere exactly to the language as adopted by the House

in this respect. The amendment related to a prohibition of aid under the concessional sales authority in Public Law 480 to any country that trades with North Vietnam.

As I understand, the Senate version of the appropriation bill did add a clause which would permit the President to set aside this prohibition if he determined it to be in the national interest. I should like to ask the gentleman whether the House language was accepted in the conference.

Mr. WHITTEN. The conferees on the part of the House supported the gentleman's language in the first instance, and the Senate receded, accepting the House language in the conference.

Mr. FINDLEY. I should like to congratulate the conferees on holding fast on that language. To me, even though it may be somewhat symbolic, and perhaps would not affect too many countries, it certainly shows the determination of the House of Representatives to shut off aid to any country that does trade with North Vietnam.

I should like to ask the gentleman also a question about amendments Nos. 48 and 49, which have to do with Federal crop insurance. I notice that the amount authorized that can be paid from premium income for administrative and operating expenses was reduced, which came as a surprise to me. I would appreciate it if the gentleman could clarify why this change was made and why the appropriation was increased by about \$100,000.

Mr. WHITTEN. As the gentleman knows, conferences are composed of two groups that have differences of viewpoint on two different bills. The gentleman is correct. The amount of premium income to be used for administrative and operating expenses is smaller than that required in the House bill, but it is larger than that required in the Senate bill. The difference between \$4,100,000 and \$4,150,000 is not one of the major differences between the two bodies in relation to this bill.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks and to include tables.)

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced that the "ayes" appeared to have it.

Mr. CURTIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Missouri objects to the vote on the ground that a quorum is not present, and evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 325, nays 28, not voting 79, as follows:

[Roll No. 238]

YEAS—325

Abbott	Flood	Michel
Abernethy	Fogarty	Miller
Adair	Folcy	Mills
Addabbo	Fountain	Minish
Albert	Fraser	Mink
Anderson, Ill.	Frelinghuysen	Mize
Anderson, Tenn.	Friedel	Moeller
Andrews	Fulton, Tenn.	Monagan
George W.	Fuqua	Moore
Andrews, Glenn	Gallagher	Moorhead
Andrews, N. Dak.	Garmatz	Morgan
Annunzio	Gathings	Morris
Arends	Gibbons	Morse
Ashbrook	Gilligan	Morton
Ashmore	Gonzalez	Mosher
Aspinall	Grabowski	Moss
Ayres	Gray	Murphy, Ill.
Bandstra	Green, Oreg.	Natcher
Barrett	Green, Pa.	Nedzi
Bates	Greigg	Nelsen
Battin	Grider	Nix
Beckworth	Gross	O'Hara, Ill.
Belcher	Gubser	O'Konski
Bennett	Gurney	Olsen, Mont.
Berry	Hagen, Calif.	Olson, Minn.
Betts	Haley	O'Neal, Ga.
Blatnik	Hall	O'Neill, Mass.
Bolling	Hamilton	Passman
Bolton	Hanna	Pelly
Bow	Hansen, Idaho	Pcpper
Bray	Hardy	Perkins
Brooks	Harsha	Philbin
Broomfield	Harvey, Ind.	Pickle
Brown, Calif.	Harvey, Mich.	Pirnie
Broyhill, N.C.	Hawkins	Poage
Broyhill, Va.	Hays	Poff
Buchanan	Hébert	Pool
Burke	Hechler	Powell
Burleson	Helstoski	Price
Burton, Calif.	Henderson	Pucinski
Burton, Utah	Herlong	Purcell
Byrne, Pa.	Hicks	Quie
Byrnes, Wis.	Holifield	Quillen
Cabell	Holland	Race
Callan	Horton	Randall
Carter	Howard	Redlin
Casey	Hull	Rees
Cederberg	Hungate	Reid, Ill.
Chamberlain	Huot	Reifel
Chelf	Hutchinson	Reinecke
Clark	Ichord	Reuss
Clausen, Don H.	Irwin	Rhodes, Ariz.
Clawson, Del.	Jarman	Rhodes, Pa.
Cleveland	Jennings	Rivers, S.C.
Clevenger	Joelson	Roberts
Colmer	Johnson, Calif.	Robison
Cooley	Johnson, Okla.	Rodino
Corbett	Johnson, Pa.	Rogers, Colo.
Culver	Jonas	Rogers, Tex.
Cunningham	Jones, Ala.	Ronan
Curtin	Jones, Mo.	Roncalio
Daddario	Jones, N.C.	Rooney, Pa.
Dague	Karsten	Rosenthal
Daniels	Kastenmeier	Rostenkowski
Davis, Wis.	Kee	Roush
Dawson	Keith	Roybal
de la Garza	King, Calif.	Ryan
Dent	King, Utah	Satterfield
Derwinski	Kluczynski	St Germain
Devine	Kornegay	Schneebeli
Diggs	Krebs	Schweiker
Dingell	Kunkel	Secrest
Dole	Laird	Selden
Donohue	Langen	Shipley
Dorn	Latta	Shriver
Dow	Leggett	Sickles
Dowdy	Lennon	Sikes
Downing	Lipscomb	Sisk
Dulski	Long, La.	Skubitz
Duncan, Oreg.	Long, Md.	Slack
Duncan, Tenn.	McCulloch	Smith, Iowa
Dwyer	McDade	Smith, N.Y.
Dyal	McDowell	Smith, Va.
Edmondson	McFall	Springer
Edwards, Ala.	McGrath	Stafford
Edwards, Calif.	McVicker	Staggers
Edwards, La.	MacGregor	Stalbaum
Ellsworth	Machen	Stanton
Evans, Colo.	Mackay	Steed
Everett	Mackie	Stephens
Fallon	Madden	Stubblefield
Farnsley	Mahon	Sullivan
Farnum	Mailliard	Talcott
Fascell	Marsh	Taylor
Feighan	Martin, Nebr.	Teague, Calif.
Fisher	Mathias	Teague, Tex.
	Matsunaga	Thompson, N.J.
	Matthews	Thompson, Tex.
	May	Thomson, Wis.
	Meeds	Todd



Trimble	Waggonner	Whitten
Tuck	Waldie	Widnall
Tunney	Walker, N. Mex.	Williams
Tupper	Watkins	Wilson
Udall	Watson	Charles H.
Ullman	Watts	Wright
Van Deerin	Weitner	Wyatt
Vahik	Whalley	Yates
Vigorito	White, Tex.	Young
Vivian	Whitener	Younger

## NAYS—28

Bell	Findley	McClory
Brown, Clarence J., Jr.	Fino	Minshall
Cameron	Ford, Gerald R.	Ottlinger
Clancy	Fulton, Pa.	Patten
Collier	Goodell	Reid, N.Y.
Corman	Grover	Rogers, Fla.
Curtis	Halpern	Rumsfeld
Dickinson	Hosmer	Smith, Calif.
Erlenborn	Jacobs	Utt
	Kupferman	Wydler

## NOT VOTING—79

Adams	Gialmo	O'Hara, Mich.
Ashley	Gilbert	Patman
Baring	Griffiths	Pike
Bingham	Hagan, Ga.	Resnick
Boggs	Halleck	Rivers, Alaska
Boland	Hanley	Rooney, N.Y.
Brademas	Hansen, Iowa	Roudebush
Brock	Hansen, Wash.	St. Onge
Cahill	Hathaway	Saylor
Callaway	Karth	Scheuer
Carey	Kelly	Schisler
Celler	Keogh	Schmidhauser
Cohelan	King, N.Y.	Scott
Conable	Kirwan	Senner
Conte	Landrum	Stratton
Conyers	Love	Sweeney
Craley	McCarthy	Tenzer
Cramer	McEwen	Thomas
Davis, Ga.	McMillan	Toll
Delaney	Macdonald	Tuten
Denton	Martin, Ala.	Walker, Miss.
Evins, Tenn.	Martin, Mass.	White, Idaho
Farbstein	Morrison	Willis
Flynt	Multer	Wilson, Bob
Ford	Murphy, N.Y.	Wolff
William D. Gettys	Murray	Zablocki
	O'Brien	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Brock.  
 Mr. Celler with Mr. Cahill.  
 Mr. Boggs with Mr. Halleck.  
 Mr. Kirwan with Mr. Cramer.  
 Mr. Rooney of New York with Mr. Conte.  
 Mr. St. Onge with Mr. Bob Wilson.  
 Mr. Carey with Mr. Saylor.  
 Mr. Macdonald with Mr. Roudebush.  
 Mr. Delaney with Mr. Conable.  
 Mr. Multer with Mr. King of New York.  
 Mr. Gialmo with Mr. McEwen.  
 Mr. White of Idaho with Mr. Martin of Massachusetts.  
 Mr. Gilbert with Mr. Walker of Mississippi.  
 Mr. Hathaway with Mr. Callaway.  
 Mr. Tenzer with Mr. Martin of Alabama.  
 Mr. Wolff with Mrs. Hansen of Washington.  
 Mr. Cohelan with Mr. Conyers.  
 Mr. Farbstein with Mr. William D. Ford.  
 Mr. Gettys with Mr. Resnick.  
 Mr. Zablocki with Mr. Willis.  
 Mr. Davis of Georgia with Mrs. Kelly.  
 Mrs. Griffiths with Mr. McCarthy.  
 Mr. O'Hara of Michigan with Mr. O'Brien.  
 Mr. Pike with Mr. Patman.  
 Mr. Hanley with Mr. McMillan.  
 Mr. Craley with Mr. Ashley.  
 Mr. Bingham with Mr. Adams.  
 Mr. Brademas with Mr. Morrison.  
 Mr. Murphy of New York with Mr. Tuten.  
 Mr. Stratton with Mrs. Thomas.  
 Mr. Landrum with Mr. Flynt.  
 Mr. Hagan of Georgia with Mr. Hansen of Iowa.  
 Mr. Schisler with Mr. Scheuer.  
 Mr. Senner with Mr. Scott.  
 Mr. Schmidhauser with Mr. Baring.  
 Mr. Karth with Mr. Denton.  
 Mr. Evins of Tennessee with Mr. Toll.  
 Mr. Rivers of Alaska with Mr. Sweeney.  
 Mr. Love with Mr. Boland.

Mr. FULTON of Pennsylvania changed his vote from "yea" to "nay."

Mr. COLLIER changed his vote from "yea" and "nay."

Mr. McCLODY changed his vote from "yea" and "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: On page 17, line 23, after "1964" strike out "\$150,000,000"; and

On page 18, strike out all of lines 1 and 2 and insert "\$110,000,000, and in addition \$30,000,000 appropriated under this head in Public Law 89-316, approved November 2, 1965, shall be transferred to and merged with this appropriation."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 24, line 25: "and in addition \$1,375,000 appropriated under this head in the Second Supplemental Appropriation Act, 1965, shall be transferred to and merged with this appropriation."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein.

The motion was agreed to.

A motion to reconsider the conference report and the several amendments was laid on the table.

## TRAFFIC SAFETY ACT OF 1966

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3005) to provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents, together with House amendments thereto, and insist on the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, FRIEDEL, MACDONALD, MOSS, DINGELL, ROGERS of Florida, SPRINGER, YOUNGER, and DEVINE.

## AMENDING THE ORGANIC ACT OF GUAM

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13298) to amend the Organic Act of Guam in order to authorize the legislature thereof to provide by law for the election of its

members from election districts, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, after "members" insert ", to be known as senators,".

Page 3, line 4, strike out "bill," and insert "Act,".

Page 3, line 8, after "provision," insert "the method of electing".

Page 3, line 10, strike out "bill." and insert "Act."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. HOSMER. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Colorado would explain to the House the purport of the amendments.

Mr. ASPINALL. If the gentleman from California will yield? As the gentleman heard, when the amendments were read, three of them are purely clerical. The other one has to do with the nomenclature used for the members of the Guam Legislature. In the Virgin Islands we have a similar body there known as the senate, and the members of the other body thought that the members of the Guam Legislature should be designated as senators also. I know of no objection to this suggestion.

Mr. HOSMER. I recall when the original bill pertaining to the Virgin Islands was before the Territories Subcommittee, I was the one who offered the amendment to change the designation of their legislators to that of senators. The basis for that was the fact that they were paid little in money and they deserved some other kind of reward, and the title seemed to fit the bill. I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## INVESTIGATIONS OF CERTAIN WATER RESOURCE DEVELOPMENT PROPOSALS

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 3034) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource development proposals, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 2, 1966.)

Mr. ASPINALL. Mr. Speaker, the conference report which we bring back to



## INDEPENDENT OFFICES APPROPRIATION BILL, 1967 (H.R. 14921)

Corporations—Comparative statement of appropriations for 1966 and the estimates and action taken on items in the bill for 1967

## ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES

[Limitation on amounts of corporate funds to be expended]

Corporation or agency	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967 (as amended)	House bill	Senate bill	Conference action	Conference allowance compared with—		
						Budget estimate	House allowance	Senate allowance
Federal Home Loan Bank Board:								
Administrative expenses.....	(\$3,960,000)	(\$4,410,000)	(\$4,410,000)	(\$4,410,000)	(\$4,410,000)			
Nonadministrative expenses.....	(13,155,000)	(13,465,000)	(13,465,000)	(13,465,000)	(13,465,000)			
Federal Savings and Loan Insurance Corporation.....	(230,000)	(235,000)	(235,000)	(235,000)	(235,000)			
Department of Housing and Urban Development:								
College housing loans.....	(1,975,000)	(2,035,000)	(2,035,000)	(2,035,000)	(2,035,000)			
Public facility loans.....	(1,270,000)	(1,175,000)	(1,175,000)	(1,175,000)	(1,175,000)			
Revolving fund (liquidating programs).....	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)			
Housing for the elderly or handicapped.....	(1,075,000)	(1,215,000)	(1,100,000)	(1,200,000)	(1,200,000)	(- \$15,000)	(+ \$100,000)	
Federal National Mortgage Association.....	(3,800,000)	(9,100,000)	(9,081,000)	(9,081,000)	(9,081,000)	(- 18,000)		
Federal Housing Administration:								
Administrative expenses.....	(10,330,300)	(10,950,000)	(10,500,000)	(10,500,000)	(10,500,000)	(- 450,000)		
Nonadministrative expenses.....	(81,850,000)	(89,400,000)	(85,000,000)	(85,000,000)	(85,000,000)	(- 4,400,000)		
Public Housing Administration:								
Administrative expenses.....	(17,405,000)	(20,223,000)	(13,800,000)	(13,800,000)	(13,800,000)	(- 1,423,000)		
Nonadministrative expenses.....	(1,200,000)	(1,273,000)	(1,123,000)	(1,123,000)	(1,123,000)	(- 150,000)		
Total, administrative expenses.....	(141,369,300)	(153,641,000)	(147,084,000)	(147,184,000)	(147,184,000)	(- 6,457,000)	(+ 100,000)	

<sup>1</sup> Includes pay supplemental, 1966.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3005) to provide for a coordinated national safety program and establishment of safety standards for motor vehicles in interstate commerce to reduce accidents involving motor vehicles and to reduce the deaths and injuries occurring in such accidents, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. FRIEDEL, Mr. MACDONALD, Mr. MOSS, Mr. DINGELL, Mr. ROGERS of Florida, Mr. SPRINGER, Mr. YOUNGER, and Mr. DEVINE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 13298) to amend the Organic Act of Guam in order to authorize the legislature thereof to provide by law for the election of its members from election districts.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 25 and 31 to the bill, and concurred therein.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3034) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource development proposals.

## DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1967—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14596) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 23, 1966, CONGRESSIONAL RECORD, p. 19471.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I shall not report on the details of the conference agreement. It was agreed to unanimously and was signed by all of the conferees of both Houses.

The full text of the conference report and the statement of the managers on the part of the House appear in the CONGRESSIONAL RECORD of August 23, 1966, beginning on page 19471.

I am pleased to report that final agreement reached upon the 54 separate amendments which embodied numerous individual projects and activities was arrived at in one long session of the conference committee.

Mr. President, the number of 54 separate amendments might be misleading because some of them involved as many as 2 or 3 dozen separate projects on which there were differences between the Senate and House action.

At this time I wish to pay my respects to all of the members of the conference committee. Present in the Chamber is the ranking minority member of the Senate conferees, the distinguished Senator from North Dakota [Mr. YOUNG] who with the distinguished Senator from South Dakota [Mr. MUNDT] represented the minority Members of the Senate. The distinguished senior Senator from Georgia [Mr. RUSSELL] and the distinguished senior Senator from Louisiana [Mr. ELLENDER] and I as chairman of the Agricultural Subcommittee represented the majority for the Senate conferees.

Mr. President, I am grateful to report that all five Senate conferees were present for the entire conference. This is most unusual, and I am proud and happy to report that fact to the Senate.

The conference bill totals \$6,994,590,150. This is \$613,141,650 over the 1966 appropriation, \$69,753,150 under the Senate bill, \$28,347,850 under the estimates, and \$118,563,150 over the House bill.

The net increase over the 1966 appropriation is largely due to an increase in the reimbursement appropriation to the Commodity Credit Corporation to repair the capital structure of the Corporation for losses incurred in prior years. The conference bill provides \$3,855 million for this purpose. This is the amount requested in the budget estimate. Except for the losses incurred in fiscal year 1966, the only outstanding amount not reimbursed is the balance from fiscal 1961 in the amount of \$1,057 million. It is expected that the budget estimate for fiscal 1968 will include this amount in addition to the full loss incurred in fiscal 1966, so the status of the Corporation will be brought up to date as intended by Public Law 87-155, approved August 17, 1961, which authorizes reimbursement appropriations for repair of CCC capital structure for losses incurred in the conduct of authorized programs.



I am particularly happy to report the progress made on this matter, because the Senate committee has been actively insistent for several years upon bringing the fiscal condition of the Commodity Credit Corporation to a more current basis, so that citizens generally may know more about the operation of this Corporation, and so that the Corporation reports will correctly reflect its operations.

The conference committee agreed to the Senate position in regard to the proposed misuse of funds by transfer from section 32, as proposed in the budget estimates, for funding the food stamp program for 1967.

The record is abundantly clear that the food stamp program is considered to be and is classified as a welfare activity, and not as a part of the agricultural price support or related program activities. In spite of this fact, the budget for fiscal 1967 proposed that the expenses for administration of the food stamp program in the amount of \$150 million be financed by transfer from section 32. The Senate did not approve this abuse of the use of section 32 and appropriated a total of \$140 million for the expenses of the food stamp program. This is twice as much as the Department was able to spend in fiscal 1966. The appropriation, as passed by the Senate for this activity, was comprised of \$110 million by appropriation from general revenue funds and \$30 million reappropriation of unexpended funds. I am pleased to report that the conference committee agreed with the Senate view in this regard and sincerely hope that the budget estimate for ensuing fiscal years will be in accordance with subsection 16(d) of the Food Stamp Act.

Mr. President, I ask unanimous consent that this section from the act be included in the RECORD at this point.

There being no objection, the section of the act was ordered to be printed in the RECORD, as follows:

Amounts expended under the authority of this Act shall not be considered amounts ex-

pendent for the purpose of carrying out the agricultural price-support program and appropriations for the purposes of this Act shall be considered, for the purpose of budget presentations, to relate to the functions of the Government concerned with welfare.

Mr. HOLLAND. Similarly, it is expected that in future years the expenses of the special milk program will be presented to the Congress as a regular appropriation, accordance with the provisions of Public Law 88-573, approved September 2, 1964. That act provided that the financing of the expenses of the special milk program would be in accordance with the basic legislation which authorized regular appropriation rather than the use of funds available by transfer from section 32.

Mr. President, the conference report, as printed in the RECORD beginning on page 19471 contains considerable detail in regard to each of the many items therein and of interest to Members of the Senate. In addition, I intend to offer for the RECORD a comparative table of appropriations which shows the figures for each appropriation item as it progressed through the Congress.

Unless Senators have questions, I now yield to my distinguished friend, the Senator from North Dakota, the ranking minority member of the committee, who has been so indispensable in the development of this bill and in all stages of its passage to this point.

Mr. YOUNG of North Dakota. I thank the Senator from Florida for his very gracious comments.

This was not an easy bill to handle. I have been the ranking Republican member of this committee for about 18 years. Some years ago—it seems like a long while ago—when the Republicans were in control of the Senate, I was chairman of this committee for about 2 years.

I believe this bill handled exceedingly well by its chairman, the distinguished Senator from Florida. It took the shortest amount of time in conference this

year than in any other year I have served on this committee.

There was the finest kind of cooperation between the staff members and all the conferees. The Senator from Florida has well stated that all the conferees signed this report and fully approved it.

With the difficult handicap of severe Bureau of the Budget cuts, we were able to restore those deep cuts in important programs, such as the special school milk program, the school lunch program, agricultural research, and many other program, and we were still able to come out with a budget of some \$28 million under the budget estimate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. HOLLAND. I hope that the Senator will add to his list, which has been so accurately stated, the Agricultural Extension Service, which we also restored to a more adequate condition in spite of heavy budgetary limitations.

Mr. YOUNG of North Dakota. I am sure that the Senator from Florida will insert all these figures in the RECORD. I think it is in the table.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, unless there are questions from Members, I now move that the conference report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HOLLAND. Mr. President, I now have, for submission in the RECORD, the compilation showing the various items in this very large bill, by way of contrast between budget amounts, House action, Senate action, and conference action, and compared with appropriations for last year, 1966. I ask that the compilation be printed in the RECORD at this point.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

*Comparative statement of appropriations for 1966 and estimates and amounts recommended in bill for 1967*

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference allowance, 1967	Conference bill (+) or (—)		
						Budget estimates, 1967	House bill	Senate bill
TITLE I—GENERAL ACTIVITIES								
Agricultural Research Service:								
Salaries and expenses:								
Research.....	\$125,959,000	\$107,980,000	\$120,673,000	\$123,844,600	\$123,402,500	+\$15,422,500	+\$2,729,500	—\$442,100
Plant and animal disease and pest control.....	75,547,000	69,748,000	76,764,000	81,493,200	80,263,900	+10,515,900	+3,499,900	—1,243,300
Subtotal.....	\$201,506,000	\$177,728,000	\$197,437,000	\$205,342,800	\$203,666,400	+25,938,400	+6,229,400	—1,676,900
Special foreign currency research program.....	3,000,000	(4)	3,000,000	6,000,000	4,500,000	+4,500,000	+1,500,000	—1,500,000
Total, Agricultural Research Service.....	204,506,000	177,728,000	200,437,000	211,342,800	208,166,400	+30,438,400	+7,729,400	—3,176,400
Cooperative State Research Service:								
Payments and expenses.....	\$54,827,000	47,740,000	55,227,000	60,740,000	58,740,000	+11,000,000	+3,513,000	—2,000,000
Extension Service:								
Payments to States and Puerto Rico.....	75,600,000	75,917,500	75,917,500	78,917,500	78,917,500	+3,000,000	+3,000,000	-----
Retirement costs for extension agents.....	7,857,000	8,139,500	8,139,500	8,139,500	8,139,500	-----	-----	-----
Penalty mail.....	3,113,000	3,113,000	3,113,000	3,113,000	3,113,000	-----	-----	-----
Federal Extension Service.....	2,665,000	3,064,000	2,654,000	2,654,000	2,654,000	—400,000	-----	-----
Total, Extension Service.....	89,135,000	90,224,000	89,824,000	92,824,000	92,824,000	+2,600,000	+3,000,000	-----
Farmer Cooperative Service.....	1,167,000	1,175,000	1,175,000	1,175,000	1,175,000	-----	-----	-----

Footnotes at end of table.



## Comparative statement of appropriations for 1966 and estimates and amounts recommended in bill for 1967—Continued

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference allowance, 1967	Conference bill (+) or (-)—		
						Budget estimates, 1967	House bill	Senate bill
TITLE I—GENERAL ACTIVITIES—con.								
Soil Conservation Service:								
Conservation operations.....	\$108,802,000	\$109,020,000	\$109,235,000	\$109,235,000	\$109,235,000	\$+215,000		
Watershed planning.....	5,853,000	6,397,000	6,142,000	6,142,000	6,142,000	-255,000		
Watershed protection.....	66,331,000	66,559,000	67,020,000	70,000,000	70,000,000	+3,441,000	+\$2,950,000	
Flood prevention.....	25,571,000	25,654,000	25,654,000	25,654,000	25,654,000			
Great Plains conservation program.....	16,082,000	16,112,000	16,112,000	18,500,000	18,500,000	+2,388,000	+2,388,000	
Resource conservation and development.....	4,347,000	4,574,000	4,347,000	4,574,000	4,574,000		+227,000	
Total, Soil Conservation Service.....	226,986,000	228,316,000	228,510,000	234,105,000	234,105,000	+5,789,000	+5,595,000	
Economic Research Service:								
Salaries and expenses.....	11,782,000	12,547,000	12,032,000	12,182,000	12,132,000	-415,000	+100,000	-\$50,000
Statistical Reporting Service:								
Salaries and expenses.....	14,067,000	13,434,000	13,272,000	13,575,000	13,511,750	+77,750	+239,750	-63,250
Consumer and Marketing Service:								
Consumer protective, marketing, and regulatory programs.....	77,654,000	<sup>6</sup> 83,961,000	82,757,000	83,881,000	83,881,000	-80,000	+1,124,000	
Payments to States and possessions.....	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000			
Special milk program.....	103,000,000	21,000,000	<sup>7</sup> 50,000,000	<sup>7</sup> 105,000,000	<sup>7</sup> 51,000,000	+30,000,000	+1,000,000	-54,000,000
School lunch program.....	<sup>8</sup> 157,000,000	<sup>8</sup> 138,000,000	<sup>8</sup> 157,000,000	<sup>8</sup> 169,500,000	<sup>8</sup> 165,855,000	+27,855,000	+8,855,000	-3,645,000
Food stamp program.....	<sup>9</sup> 79,992,000	<sup>(10)</sup>	<sup>(10)</sup>	<sup>10</sup> 110,000,000	<sup>10</sup> 110,000,000	+110,000,000	+110,000,000	
Total, Consumer and Marketing Service.....	419,396,000	244,711,000	291,507,000	470,131,000	412,486,000	+167,775,000	+120,979,000	-57,645,000
Foreign Agricultural Service:								
Salaries and expenses.....	<sup>11</sup> 20,752,000	<sup>11</sup> 21,379,000	<sup>11</sup> 21,088,000	<sup>11</sup> 21,349,000	<sup>11</sup> 21,218,500	-160,500	+130,500	-130,500
Commodity Exchange Authority.....	1,197,000	1,398,000	1,398,000	1,398,000	1,398,000			
Agricultural Stabilization and Conservation Service:								
Expenses, Agricultural Stabilization and Conservation Service:								
By appropriation.....	<sup>12</sup> 126,278,500	<sup>12</sup> 135,891,000	<sup>12</sup> 128,558,000	<sup>12</sup> 130,424,500	<sup>12</sup> 128,558,000	-7,333,000		-1,866,500
Sugar Act program.....	5,000,000	80,000,000	80,000,000	80,000,000	80,000,000			
Agricultural conservation program.....	220,000,000	220,000,000	220,000,000	220,000,000	220,000,000			
Appalachian region conservation program.....		4,375,000	2,200,000	3,000,000	3,000,000	-1,375,000	+800,000	
Cropland conversion program.....	7,500,000	10,000,000	7,500,000	10,000,000	7,500,000	-2,500,000		-2,500,000
Cropland adjustment program.....		200,000,000	90,000,000	50,000,000	50,000,000	-150,000,000	-40,000,000	
Conservation reserve program.....	146,000,000	143,000,000	140,000,000	140,000,000	140,000,000	-3,000,000		
Emergency conservation measures.....	24,000,000	5,000,000	5,000,000	5,000,000	5,000,000			
Total, Agricultural Stabilization and Conservation Service.....	618,778,500	798,266,000	673,258,000	638,424,500	634,058,000	-164,208,000	+39,200,000	-4,366,500
Rural Community Development Service:								
Office of Inspector General.....	637,000	3,468,000	637,000	2,500,000	637,000	-2,831,000		-1,863,000
Office of Inspector General.....	10,613,000	11,602,000	11,254,000	11,254,000	11,254,000	-348,000		
Packers and Stockyards Act.....	2,400,000	2,604,000	2,400,000	2,604,000	2,502,000	-102,000	+102,000	-102,000
Office of General Counsel.....	4,286,000	4,325,000	4,325,000	4,325,000	4,325,000			
Office of Information.....	1,915,000	1,826,000	1,826,000	1,851,000	1,851,000	+25,000	+25,000	
National Agricultural Library:								
Salaries and expenses.....	1,735,000	2,501,000	2,147,000	2,501,000	2,412,500	-88,500	+265,500	-88,500
Library facilities.....	7,000,000							
Office Management Services.....	2,542,000	2,687,000	2,600,000	2,609,000	2,600,000	-87,000		
General administration.....	3,928,000	3,959,000	3,959,000	3,959,000	3,959,000			
Total, title I, general activities.....	1,697,649,500	1,669,890,000	1,616,876,000	1,188,840,300	1,719,355,150	+49,465,150	+102,479,150	-69,485,150
TITLE II—CREDIT AGENCIES								
Rural Electrification Administration:								
Loan authorizations:								
Electrification.....	<sup>14</sup> (365,000,000)	(220,000,000)	<sup>15</sup> (365,000,000)	<sup>16</sup> (375,000,000)	<sup>15</sup> (375,000,000)	(+155,000,000)	(+10,000,000)	
Telephone.....	<sup>16</sup> (97,000,000)	(85,000,000)	<sup>17</sup> (97,000,000)	<sup>17</sup> (117,000,000)	<sup>17</sup> (117,000,000)	(+32,000,000)	(+20,000,000)	
Total, loan authorizations.....	(462,000,000)	(305,000,000)	(462,000,000)	(492,000,000)	(492,000,000)	(187,000,000)	(+30,000,000)	
Salaries and expenses.....	12,202,000	12,202,000	12,202,000	12,302,000	12,202,000			-100,000
Total, Rural Electrification Administration.....	12,202,000	12,202,000	12,202,000	12,302,000	12,202,000			-100,000
Farmers Home Administration:								
Direct loan account:								
Real estate loans.....	(75,000,000)	<sup>18</sup> (97,100,000)	(90,000,000)	(90,000,000)	(90,000,000)	(-7,100,000)		
Operating loans.....	<sup>19</sup> (300,000,000)	<sup>19</sup> (300,000,000)	<sup>19</sup> (300,000,000)	<sup>19</sup> (350,000,000)	<sup>19</sup> (350,000,000)	(+50,000,000)	(+50,000,000)	
Total, direct loan account.....	(375,000,000)	(397,100,000)	(390,000,000)	(440,000,000)	(440,000,000)	(+42,900,000)	(+50,000,000)	
Rural water and waste disposal grants.....	20,000,000	26,000,000	26,000,000	26,000,000	26,000,000			
Rural housing direct loan account.....	2,500,000	<sup>(20)</sup>	<sup>(20)</sup>	<sup>(20)</sup>	<sup>(20)</sup>			
Rural housing insurance fund.....	100,000,000							
Rural housing grants.....		4,000,000				-4,000,000		
Rural housing for domestic farm labor.....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000			
Rural renewal.....	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000			
Salaries and expenses.....	<sup>21</sup> 49,661,000	51,600,000	<sup>21</sup> 51,057,000	<sup>21</sup> 51,000,000	<sup>21</sup> 51,057,000	(-543,000)		(+57,000)
Total, Farmers Home Administration.....	176,361,000	85,800,000	81,257,000	81,200,000	81,257,000	-4,543,000		+57,000
Total, title II, credit agencies:								
Loan authorizations.....	(837,000,000)	(702,100,000)	(852,000,000)	(932,000,000)	932,000,000	(+229,900,000)	(80,000,000)	
Direct appropriation.....	188,563,000	98,002,000	93,459,000	93,502,000	93,459,000	-4,643,000		-43,000

Footnotes at end of table.



Comparative statement of appropriations for 1966 and estimates and amounts recommended in bill for 1967—Continued

Item	Appropriations, 1966 (adjusted) <sup>1</sup>	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference allowance, 1967	Conference bill (+) or (—)		
						Budget estimates, 1967	House bill	Senate bill
TITLE III—CORPORATIONS								
Federal Crop Insurance Corporation: Administrative and operating expenses:								
Appropriation.....	\$8,192,000	\$8,546,000	\$8,342,000	\$8,546,000	\$8,446,000	—\$100,000	+\$104,000	—\$100,000
Premium income.....	(4,000,000)	(4,000,000)	(4,150,000)	(4,000,000)	(4,100,000)	(+100,000)	(—50,000)	(+100,000)
Commodity Credit Corporation: Reimbursement for net realized losses.....	2,800,000,000	3,555,855,000	3,500,000,000	3,555,855,000	3,555,855,000	-----	+55,855,000	-----
Limitation on administrative expenses.....	(36,650,000)	(34,300,000)	(34,300,000)	(34,300,000)	(34,300,000)	-----	-----	-----
Public Law 480.....	1,658,000,000	1,617,000,000	1,617,000,000	1,617,000,000	1,617,000,000	-----	-----	-----
International Wheat Agreement.....	27,544,000	60,000,000	40,000,000	-----	-----	—60,000,000	—40,000,000	-----
Bartered materials for supplemental stockpile.....	-----	13,000,000	-----	-----	-----	—13,000,000	-----	-----
Total, title III, corporations.....	4,493,736,000	5,254,401,000	5,165,342,000	5,181,401,000	5,181,301,000	—73,100,000	+15,959,000	—100,000
TITLE IV—RELATED AGENCIES								
Farm Credit Administration: Limitation on administrative expenses.....	(3,018,000)	(3,032,000)	(3,032,000)	(3,032,000)	(3,032,000)	-----	-----	-----
National Commission on Food Marketing.....	1,500,000	-----	-----	-----	-----	-----	-----	-----
National Advisory Commission on Food and Fiber.....	-----	645,000	350,000	600,000	475,000	—170,000	+125,000	—125,000
Total, title IV, related agencies.....	1,500,000	645,000	350,000	600,000	475,000	—170,000	+125,000	—125,000
Total appropriations:								
Title I—General activities.....	1,697,649,500	1,669,890,000	1,616,876,000	1,788,840,300	1,719,355,150	+49,465,150	+102,479,150	—69,485,150
Title II—Credit agencies.....	188,563,000	98,002,000	93,459,000	93,502,000	93,459,000	—4,543,000	-----	—43,000
Title III—Corporations.....	4,493,736,000	5,254,401,000	5,165,342,000	5,181,401,000	5,181,301,000	—73,100,000	+15,959,000	—100,000
Title IV—Related agencies.....	1,500,000	645,000	350,000	600,000	475,000	—170,000	+125,000	—125,000
Grand total.....	6,381,448,500	7,022,938,000	6,876,027,000	7,064,343,300	6,994,590,150	—28,347,850	+118,563,150	—69,753,150

<sup>1</sup> Includes pay supplemental, 1966.

<sup>2</sup> In addition, a transfer and merger of \$18,100,000 from sec. 32 funds was authorized in 1966. Transfer of \$25,000,000 from sec. 32 funds requested and approved for 1967. Conference limited future budgets estimates for transfers from sec. 32 to \$15,000,000.

<sup>3</sup> In addition, reappropriation of \$2,000,000 proposed and approved for special fund.

<sup>4</sup> Proposed deletion of dollar appropriation and insertion of language to authorize use of specific foreign currencies (\$23,788,000 equivalent).

<sup>5</sup> In addition, \$400,000 transferred from sec. 32 funds.

<sup>6</sup> Amended by S. Doc. 98 in the amount of \$300,000 for expenses of Public Law 89-502, approved July 13, 1966.

<sup>7</sup> In addition, \$53,000,000 transfer from sec. 32 funds authorized by House, but changed to direct appropriation by the Senate and the conference-adopted House provision.

<sup>8</sup> In addition, \$45,000,000 transfer from sec. 32 funds provided.

<sup>9</sup> In addition, a reappropriation of \$20,000,000 of prior year funds authorized.

<sup>10</sup> 1967 budget proposal to transfer \$150,000,000 from sec. 32 funds approved by House and changed by Senate and adopted by conference to \$110,000,000 direct appropriation, plus \$30,000,000 reappropriation.

<sup>11</sup> In addition, transfer of \$3,117,000 from sec. 32 funds requested and approved.

<sup>12</sup> In addition, transfer of \$87,495,000 from CCC fund authorized.

<sup>13</sup> In addition, transfer of \$77,545,000 from CCC fund requested in budget and \$75,803,600 approved by House and increased to \$77,545,000 by Senate. Conference adopted House figure.

<sup>14</sup> Includes \$60,000,000 reserve authorization.

<sup>15</sup> Includes \$72,500,000 reserve authorization inserted by House but stricken by the Senate, and the conference adopted \$30,000,000 reserve authorization.

<sup>16</sup> Includes \$15,000,000 reserve authorization.

<sup>17</sup> Includes \$6,000,000 reserve authorization inserted by House but stricken by Senate, and the conference adopted \$15,000,000 reserve authorization.

<sup>18</sup> Includes estimate of \$7,100,000 for soil and water loans for Appalachia.

<sup>19</sup> Includes \$50,000,000 reserve authorization approved by House but stricken by Senate, and the conference approved \$25,000,000 reserve authorization.

<sup>20</sup> Authorization of \$15,000,000 to be used from funds deposited in the rural housing direct loan account approved.

<sup>21</sup> In addition, not to exceed \$500,000 of the funds from the various programs administered by this agency may be transferred to this appropriation for temporary field employment, plus \$2,250,000 transfer from insurance fund.

Mr. HOLLAND. Mr. President, I believe that this is the first time I have ever handled this bill when there were not House amendments to propose at this time, which is another evidence of the amicable way in which this conference worked out.

I thank the Chair for its courtesy.

#### HIGH INTEREST RATES AND THE COST OF LIVING

Mr. GORE. Mr. President, I was disappointed that, in his press conference today, President Johnson did not indicate a will for the hard decisions and firm action necessary to stop the damaging spiral in interest rates and to curb the rise in the cost of living.

This was the more disappointing because Johnson interest rates, already higher than Hoover rates, went still higher yesterday.

The interest rate on automobiles to dealers was increased yesterday by the General Motors Acceptance Corp. and the New York banks.

The profits of General Motors and of GMAC do not indicate a pressing need for an increase in the interest rate for dealers. The premium at which stock in big New York banks is sold does not

reflect a pinch on profits. Furthermore, the excuse that they raised interest rates in order to ration credit simply does not hold water.

Automobile dealers must continue to carry an inventory. They have little choice in the matter if they are to stay in business. The big three motor companies continue to ship cars to them and require them to keep the cars on their floors in order to retain their dealerships.

This kind of interest rate increase adds still further to the cost of the automobile that the working man and women must buy. When the purchaser must finance his car on the installment plan, the added burden of high interest rates continues to mount. This increases the cost of living. This kind of interest rate increase is inflationary.

On page 14 of yesterday's Wall Street Journal, I find that secured notes are advertised at as high as 8½ percent interest.

Mr. President, I am advised by people whose judgment and knowledge I respect that credit availability is reaching near panic proportions in some areas. Yet, President Johnson today was almost entirely negative as to programs to alleviate this damaging situation.

To cite another instance, on yesterday a young lawyer from Nashville, Tenn., Jack Robinson, was in Washington with respect to a ruling on the sale of bonds for the city of Nashville.

These bonds are entirely tax exempt. Yet they were sold at an interest rate of 5½ percent. A city like Nashville may be willing and able to undertake the financing of community improvement at rates of interest such as this. However, thousands of cities and counties across our country are delaying the construction of needed community facilities because of the exorbitant interest rates that prevail today.

In the meantime, what has happened to the small investor who put his money in Government bonds? Government bonds were bid yesterday for as low as \$79.20 on the hundred. A small businessman, a retired person, or any person who put some funds into these bonds, and who must now cash them in order to meet current needs, faces a loss of \$208 on every \$1,000 that he invested in U.S. Government bonds.

I respectfully suggest, Mr. President, that it is time for all Senators, all Congressmen, and all representatives of the people to make their sentiments, their views, and their suggestions known.









Public Law 89-556  
89th Congress, H. R. 14596  
September 7, 1966

## An Act

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes; namely:

Department of  
Agriculture and  
Related Agencies  
Appropriation  
Act, 1967.

### DEPARTMENT OF AGRICULTURE

#### TITLE I—GENERAL ACTIVITIES

##### AGRICULTURAL RESEARCH SERVICE

###### SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$20,000, except for six buildings to be constructed or improved at a cost not to exceed \$45,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland:

58 Stat. 742.

60 Stat. 810.

58 Stat. 742.

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100; \$123,402,500, and in addition not to exceed \$25,000,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 shall be transferred to and merged with this appropriation, of which \$11,169,000 shall remain available until expended for construction and improvement of facilities without regard to limitations contained herein, and \$4,580,200 shall be used to continue research activities scheduled for reduction or elimination in fiscal years 1966 and 1967: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That none of the funds appropriated in this Act shall be used to formulate a budget estimate for fiscal 1968 of more than \$15,000,000 for research to be

49 Stat. 774.

7 USC 612c.

77 Stat. 820.

80 STAT. 689

80 STAT. 690

62 Stat. 198.



financed by transfer from funds available under section 32 of the Act of August 24, 1935, and pursuant to Public Law 88-25;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), \$80,263,900 of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

#### SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a), (k)), to remain available until expended, \$4,500,000: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

61 Stat. 7.

31 USC 665.

61 Stat. 7.

21 USC 114b,

114c.

68 Stat. 456;

73 Stat. 606;

79 Stat. 432.

72 Stat. 275.

58 Stat. 742.

60 Stat. 810.

## COOPERATIVE STATE RESEARCH SERVICE

## PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry and other research, for facilities, and for other expenses, including \$51,113,000, to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$3,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7); \$2,000,000 in addition to funds otherwise available for contracts and grants for scientific research under the Act of August 4, 1965 (79 Stat. 431); \$2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$317,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 106(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, \$58,740,000.

69 Stat. 71.

76 Stat. 806.

7 USC 450b.

7 USC 390-390k.

69 Stat. 673.

7 USC 361f.

58 Stat. 742.

60 Stat. 810.

## EXTENSION SERVICE

## COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), to be distributed under sections 3(b) and 3(c) of the Act, \$77,347,500; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, \$78,917,500: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83;

69 Stat. 683;

76 Stat. 745.

60 Stat. 1089.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$8,139,500.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$2,654,000.

## FARMER COOPERATIVE SERVICE

## SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), \$1,175,000.

44 Stat. 802.

60 Stat. 1087.



## SOIL CONSERVATION SERVICE

## CONSERVATION OPERATIONS

49 Stat. 163.

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$109,235,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

58 Stat. 742.

60 Stat. 810.

## WATERSHED PLANNING

68 Stat. 666.

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), to remain available until expended, \$6,142,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provide* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

58 Stat. 742.

60 Stat. 810.

## WATERSHED PROTECTION

49 Stat. 163.

For necessary expenses to conduct river basin surveys and investigations, and research, and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$70,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to

the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$5,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

58 Stat. 742.

60 Stat. 810.

#### FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; \$25,654,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That not to exceed \$200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

49 Stat. 1570;

70 Stat. 1090.

#### GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$18,500,000, to remain available until expended.

70 Stat. 1115.

#### RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$1,574,000, to remain available until expended: *Provided*, That not to exceed \$500,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

49 Stat. 163.

75 Stat. 307.

7 USC 1922-

1929.

#### ECONOMIC RESEARCH SERVICE

##### SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in

60 Stat. 1087.



58 Stat. 742.

60 Stat. 810.

agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; \$12,132,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

### STATISTICAL REPORTING SERVICE

#### SALARIES AND EXPENSES

60 Stat. 1087.

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$13,511,750: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

### CONSUMER AND MARKETING SERVICE

#### CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

52 Stat. 36

60 Stat. 1088.

7 USC 1622.

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, other than Packers and Stockyards Act, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$83,881,000.

#### PAYMENTS TO STATES AND POSSESSIONS

60 Stat. 1089.

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,750,000.

## SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), \$51,000,000, and in addition \$53,000,000 shall be transferred from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), and merged with this appropriation.

75 Stat. 319.

49 Stat. 774.

## SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751-1760), \$165,855,000, including \$2,000,000 for special assistance to needy schools, as authorized by law: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

60 Stat. 230;

76 Stat. 944.

## FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, \$110,000,000, and in addition \$30,000,000 appropriated under this head in Public Law 89-316, approved November 2, 1965, shall be transferred to and merged with this appropriation.

78 Stat. 703.

7 USC 2011

note.

79 Stat. 1171.

## REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than \$2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

70 Stat. 1119.

16 USC 742a

note.

50 Stat. 246.

7 USC 674 note.

75 Stat. 294.

7 USC 1911 note.

## FOREIGN AGRICULTURAL SERVICE

## SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$21,218,500: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

68 Stat. 908.

70 Stat. 1034.



## COMMODITY EXCHANGE AUTHORITY

## SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$1,398,000.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

## EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C. 1010-1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$128,558,000: *Provided*, That, in addition, not to exceed \$75,803,600 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$30,008,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

## SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$80,000,000, to remain available until June 30 of the next succeeding fiscal year.

## AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1965 and 1966, carried out during the period July 1, 1964, to December 31, 1966, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of

42 Stat. 998;  
49 Stat. 1491.

52 Stat. 38.  
61 Stat. 922;  
79 Stat. 1271.  
49 Stat. 1148;  
50 Stat. 525.  
70 Stat. 191;  
73 Stat. 552.

62 Stat. 792.

52 Stat. 31.  
16 USC 590h.

78 Stat. 869;  
79 Stat. 1172.

any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1967 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$220,000,000, excluding administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

49 Stat. 1148.  
16 USC 590g-  
590q.

53 Stat. 1147;  
54 Stat. 767.  
5 USC 118k note.  
62 Stat. 792.

#### APPALACHIAN REGION CONSERVATION PROGRAM

For necessary expenses, not otherwise provided for, to carry into effect section 203 of the Appalachian Regional Development Act of 1965, \$3,000,000, and in addition \$1,375,000 appropriated under this head in the Second Supplemental Appropriation Act, 1965, shall be transferred to and merged with this appropriation, to remain available until expended.

79 Stat. 12.  
40 USC app.  
203.  
79 Stat. 81.



## CROPLAND CONVERSION PROGRAM

76 Stat. 606.

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, \$7,500,000, to remain available until expended.

## CROPLAND ADJUSTMENT PROGRAM

79 Stat. 1206.  
7 USC 1838.

For necessary expenses to carry into effect a Cropland Adjustment Program as authorized by the Food and Agriculture Act of 1965, including reimbursement to Commodity Credit Corporation, \$50,000,000: *Provided*, That agreements entered into during the fiscal year 1967 shall not require payments during the calendar year 1967 exceeding \$80,000,000.

## CONSERVATION RESERVE PROGRAM

70 Stat. 191;  
73 Stat. 552.

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$140,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

## EMERGENCY CONSERVATION MEASURES

71 Stat. 176.

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$5,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

## RURAL COMMUNITY DEVELOPMENT SERVICE

## SALARIES AND EXPENSES

60 Stat. 810.

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$637,000: *Provided*, That not to exceed \$3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

## OFFICE OF THE INSPECTOR GENERAL

## SALARIES AND EXPENSES

58 Stat. 742.

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) and not to exceed \$10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$11,254,000.

PACKERS AND STOCKYARDS ACT

For expenses necessary for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), \$2,502,000. 42 Stat. 159.  
7 USC 181.  
58 Stat. 742.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$4,325,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$51,000, of which total appropriation not to exceed \$562,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). 34 Stat. 690.  
28 Stat. 612.  
60 Stat. 810.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, \$412,500: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, \$2,600,000.



## GENERAL ADMINISTRATION

## SALARIES AND EXPENSES

60 Stat. 237.

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,959,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001): *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

## TITLE II—CREDIT AGENCIES

## RURAL ELECTRIFICATION ADMINISTRATION

49 Stat. 1363;  
63 Stat. 948.

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

## LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, and to remain available without fiscal year limitation in accordance with section 3(e) of said Act, as follows: Rural electrification program, \$375,000,000, of which \$30,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$117,000,000 of which \$15,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

## SALARIES AND EXPENSES

58 Stat. 742.

60 Stat. 810.

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$12,202,000.

## FARMERS HOME ADMINISTRATION

## DIRECT LOAN ACCOUNT

75 Stat. 307.

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$90,000,000; and operating loans, \$350,000,000 of which \$25,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

## RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farmers Home Administration Act of 1961, as amended, \$26,000,000. 79 Stat. 931.  
7 USC 1926.

## RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518(d) of the Housing Act of 1949 (79 Stat. 500), \$15,000,000 shall be available from funds in the rural housing direct loan account. 42 USC 1488.

## RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), \$3,000,000, to remain available until expended. 78 Stat. 797.

## RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$1,200,000, to remain available until expended. 76 Stat. 607.  
7 USC 1011.

## SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921-1990), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); \$51,057,000, together with not more than \$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended. 75 Stat. 307.  
63 Stat. 432;  
79 Stat. 497.  
64 Stat. 98.  
75 Stat. 309;  
79 Stat. 932.  
7 USC 1929.  
75 Stat. 186.  
42 USC 1484.  
58 Stat. 742.  
63 Stat. 434.  
42 USC 1474.

## TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided: 63 Stat. 584.  
31 USC 849.



## FEDERAL CROP INSURANCE CORPORATION

## ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$8,446,000.

## FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$4,100,000 of administrative and operating expenses may be paid from premium income: *Provided*, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, not to exceed \$500,000 may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.

## COMMODITY CREDIT CORPORATION

## REIMBURSEMENT FOR NET REALIZED LOSSES

75 Stat. 391.

68 Stat. 455;  
73 Stat. 610.  
7 USC 1691 et  
seq.

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$3,555,855,000: *Provided*, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to Titles I or IV of Public Law 480, 83rd Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime.

## LIMITATION ON ADMINISTRATIVE EXPENSES

31 USC 665.

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$34,300,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

For expenses during fiscal year 1967, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1721-1724, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$1,040,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, \$200,000,000; and (3) long-term supply contracts pursuant to title IV of said Act, \$377,000,000.

68 Stat. 455;  
73 Stat. 610.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$3,032,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER

EXPENSES

For necessary expenses, not otherwise provided, of the National Advisory Commission on Food and Fiber established to assist the President's Committee on Food and Fiber, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$475,000.

60 Stat. 810.

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and thirty-four passenger motor vehicles for replacement only, and for the hire of such vehicles.

Passenger motor vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Employment of aliens.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

Uniforms, allowances.

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

68 Stat. 1114.  
79 Stat. 1122.  
Cotton prices, prediction.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Twine.



Research and  
science funds.

60 Stat. 1082;  
68 Stat. 574;  
72 Stat. 1793.

Short title.

SEC. 506. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 507. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1967".

Approved September 7, 1966.

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LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1446 (Comm. on Appropriations) and No. 1867 (Comm. of Conference).

SENATE REPORT No. 1370 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 112 (1966):

Apr. 26: Considered and passed House.

July 13: Considered in Senate.

July 15: Considered and passed Senate, amended.

Aug. 24: House and Senate agreed to conference report.